


3 1761 11711730 9

UNIV. OF
TORONTO
LIBRARY



Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

<https://archive.org/details/31761117117309>

Gov. Doc.
Can
Com
D
(British
Columbia)

Canada, Dominion-Provincial Relations, Royal
Commission on, 1937
= British Columbia

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION

A Submission presented to
The Royal Commission on Dominion-Provincial Relations
by the Government of the Province of
British Columbia.

349090
6. 4. 38.

VICTORIA, B.C. :
Printed by CHARLES F. BANFIELD, Printer to the King's Most Excellent Majesty.
1938.

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION

PART I.

INTRODUCTION BY

HON. T. D. PATTULLO, K.C., LL.D.

PREMIER

PART I.

INTRODUCTION TO SUBMISSION OF BRITISH COLUMBIA BEFORE THE ROYAL COMMISSION ON DOMINION-PROVINCIAL RELATIONS.

MR. CHAIRMAN :

I would like to extend to Your Lordship and other members of the Commission the greetings and felicitations of the people of British Columbia.

The importance of the work devolving upon your Commission is, I think, generally appreciated by our people.

Over a period of time there has come about a general belief that Canada has outgrown in many respects the Terms of Union, and that the constituent parts of Canada, in the light of developments, are unable adequately to fulfil the functions and responsibilities placed upon them under the Terms of Union.

It appears, therefore, that the Dominion Government has very wisely appointed your Royal Commission to investigate the many problems confronting the Provinces and the Dominion, in the hope that with all the facts placed in definite and concrete form, determination may be made to meet the requirements of sound public economy.

Discovery and invention, and political, as well as economic, developments have affected in very marked degree the mental attitude of our people toward affairs governmentally. Governments have had to assume additional and new responsibilities with consequent increasing cost of governmental services. The many changes that have come about work with special severity upon provincial governments.

The Provinces find revenues inadequate to meet responsibilities, and with inadequate sources of revenue many municipalities find the burden greater than taxable property can bear.

It should be the desire of the Provinces and of the Dominion that in the final analysis the Provinces shall be placed in a position that they shall be able to function within the measure of their jurisdictions, without recourse to the Dominion Government for financial assistance, other than in such measures as may be agreed upon.

Whatever finality may be, it should be such as to place jurisdictions beyond doubt so far as language can attain that end, and financial provision should be such as to permit of complete functioning in that regard.

In order to assist your Commission in this work a submission has been prepared on behalf of the Province of British Columbia, which is in essence a study of the economic anatomy of the Province as part of the Canadian Confederation. Every attempt has been made in this analysis to get at the real facts of the situation insofar as information is available, in order to disclose to your Commission as far as possible the actual position of British Columbia.

Part II. of the submission gives a statement of the position of British Columbia in the Canadian Confederation since 1871 and indicates the inadequacy of the original arrangements for the entry of British Columbia into the Canadian Confederation. The continuous dissatisfaction with these arrange-

ments leading to appeals for redress is evidenced. It is here submitted that British Columbia has been subject to unequal treatment in the Confederation.

Part III. is an analysis of the population and resources of the Province with a view to disclosing the peculiar nature of these resources and the problems involved in their exploitation.

Part IV. deals with the functions of government, particularly in the matter of social services and the cost of these services. The growing burden of responsibility placed upon the Provincial Government in this respect is here outlined.

Part V. deals with taxation or the methods by which the Government secures the revenue to finance the services which it renders to the community. Information will here be found with regard to the revenue secured in this Province by the Dominion Government as well as the Province and the Municipalities, which will give a clear indication of the burdens which Confederation places on the Province in this respect.

Part VI. deals with the effect of Canada's national trade and tariff and monetary policy on British Columbia. The peculiar market position of British Columbia is outlined, showing that in the main the people of British Columbia have to buy in a protected market and sell in a competitive market. It is shown that on the basis of real exchange of commodities the citizens of British Columbia lose because of this market situation. The effect of the national trade and tariff policy on the transportation problems of British Columbia is also outlined, indicating that this community, because of this policy, is burdened with an unduly large share of the support of our national railway system.

Part VII. contains suggestions with regard to modifications that may be made in the relations of the Province to the Dominion which might be taken as a basis for discussion as between the Province of British Columbia and the Dominion of Canada.

In addition to the items indicated, there are numerous other matters which should form the basis of discussion as between the Provinces and the Dominion. Only by discussion can common ground be reached. Opinions may change or be modified in the light of deliberations. In other words, the problem must be approached in a spirit of give and take for mutual advantage and the attainment of lasting benefit to our country.

T. D. PATTULLO,
Premier.

CONTENTS.

PART I.

INTRODUCTION BY THE HON. T. D. PATTULLO, K.C., LL.D.

PART II.

THE CONFEDERATION SETTLEMENT AND BETTER TERMS.

PART III.

RESOURCES, WEALTH, AND INCOME OF THE PROVINCE OF BRITISH COLUMBIA.

	PAGE.
Irrigation	32
Water Power	34
Forest Resources	36
Mining	47
Agriculture	51
Fisheries	52
Trapping	54
Manufacturing	54
Wealth	54
Population	59
Income	68

PART IV.

THE SOCIAL FUNCTIONS OF GOVERNMENT.

Social Services	85
Administration of Health and Welfare	88
Charitable Social Services	98
Unemployment Relief	107
Employment Service of Canada	126
The Problem of Transiency	130
The Problem of Responsibility	141
Education	142
Administration of Justice	160
Expenditures on Government Functions	162

PART V.

GOVERNMENT FINANCE.

Government Finance and Its Incidence	177
Provincial Debt	189
The Problem of Municipalities	200
Delinquent Land Taxes in Unorganized Territory	234
Memorandum <i>re</i> the Analysis of Expenditures, Province of British Columbia, 1871-1937	249
Notes on the Reconciliation of the Analysis of Expenditure with the Public Accounts	251
Explanation of Apparent Inconsistencies in Expenditures	252

PART VI.

DOMINION POLICY AND PROVINCIAL ECONOMY.

The Trade Position of British Columbia	273
Imports	274
Exports	275
The Terms of Trade	276
The Artificial and Arbitrary Costs of Transportation	289
Traffic Moving between Eastern Canada and British Columbia	291

	PAGE.
Statistical Analysis of the Canadian Railway Rate Structure	293
Volume and Characteristics of the Transcontinental Railway Rate Structure	297
Volume of Water-borne Traffic	303
Regional Protection	314
Monetary Policy	317
Supplementary Statistical Analysis of Rail and Ocean Freight Rates	332

PART VII.

Recommendations	351
-----------------------	-----

INDEX OF CHARTS.

CHART.	PAGE.
I. Value of Mineral Production in British Columbia, 1915-1936	48
II. Provincial Income of British Columbia	81
III. Index of the Barter Terms of Trade between British Columbia and the Provinces of Ontario and Quebec (Eastern Canada), 1926-1935	282
IV. The Relation of Railway Tonnage as a Measurement of the Volume of Trade to the Barter Terms of Trade between British Columbia and Eastern Canada, 1926-1935	285
V. The Relation of the Trend of Foreign Trade as Measured by an Index of Prices of British Columbia Products Exported from Canada, to the Trend of General Economic Activity in British Columbia, 1926-1935	286
VI. The Relation of the Index of Economic Activity in Eastern Canada to the Price Index of Eastern Canada Exports to British Columbia and to the Price Index of Eastern Canada Exports to World Markets	287
VII. Economic Activity in British Columbia as a Percentage Economic Activity in East- ern Canada, 1926-1935	288
VIII. A Comparison of "Commodity" Carload Freight Rates on Eastbound and West- bound Traffic between British Columbia and Eastern Canada	296
IX. A Comparison of Price Variations between Consumers' Goods and Raw and Partly Manufactured Articles, 1913-1937	322
X. Variations in the Prices of Raw Cottons, Cotton Fabrics, Raw Wool, and Wool Fabrics, 1929-1936	323
XI. Variations in the Prices of Raw Rubber, Rubber Tires, and Rubbers, 1929-1935	324
XII. A Comparison of Export Prices, Import Prices, and the Cost of Living, 1926-1937	325
XIII. Variations in Canadian Wholesale Prices, Export Prices, and the Cost of Living, 1926-1937	326

MAPS.

Map showing Census Divisions in British Columbia	31
--	----

INDEX OF TABLES.

TABLE.	PAGE.
1. Subsidies Paid by the Dominion Government to the Province of British Columbia, 1871 to 1936-37, inclusive	6-7
2. Debt Account of the Province of British Columbia with the Dominion of Canada, December, 1872	7
3. Revenue of the Colony of British Columbia, 1867-1870	10
4. Expenditures of the Colony of British Columbia, 1867-1870	11
5. The Extent of the Public Debt of the Colony of British Columbia, 1867-1870	11
6. The Purposes for the Public Debt of the Colony of British Columbia, 1867-1870	12
7. Statement giving Approximate Area of Lands Alienated, Reserved, and under Ap- plication	28
8. Population, Tenure, and Condition of Farm Land by Census Divisions, British Columbia, 1931	29
9. Provincial Forest Inventory. Merchantable Timber of British Columbia	38
10. Lumber and Shingle Production in British Columbia	38
11. Pulp and Paper Production in British Columbia	39

TABLE.	PAGE.
12. Net Value of Forest Production.....	39
13. Forest Classification of British Columbia.....	40
14. Capacity for Sustained Annual Yield.....	42
15. Annual Cut, Showing Land Status.....	44
16. Provincial Forests in British Columbia.....	45
17. Relationship of Annual Cut to Provincial Government Revenue (1927-1936).....	46
18. Government Forest Expenditure.....	47
19. Production in Quantity and Value of Products Mined in British Columbia.....	49
20. Value of Principal Commercial Fish Caught and Marketed in British Columbia, 1915-1936.....	53
21. Net Value of Production in British Columbia Primary and Secondary Industries as Computed by the Dominion Bureau of Statistics, 1920-1935.....	55
22. Total Estimated Value of Production in British Columbia's Four Major Industries —Calendar Years 1921-1936, inclusive.....	56
23. Provincial Wealth of British Columbia.....	56
24. The Provincial Wealth of British Columbia in the Years 1925, 1929, and 1933.....	57
25. The Provincial Income and Wealth in 1933.....	58
26. The Estimated Population of British Columbia as at December 31, 1936.....	59
27. Distribution of the Population of the Province of British Columbia by Origin— Decennial Census Years 1881-1931, inclusive.....	60
28. Total Japanese and Chinese Population of British Columbia (by Sexes) as at June 1, 1921 and 1931, and December 31, 1936.....	61
29. The Concentration of Oriental (Japanese and Chinese) Population of Canada in British Columbia, Census Years 1921 and 1931.....	61
30. An Estimate of the Total Male and Female Oriental (Chinese and Japanese) Popula- tion of British Columbia, Calendar Years 1931-1936, inclusive.....	62
31. An Estimate of the Chinese and Japanese Population of British Columbia, Calendar Years 1931-1936, inclusive.....	63
32. The Rural and Urban Population of British Columbia, Decennial Census Years 1871-1931, inclusive.....	64
33. Emigration from Saskatchewan, Alberta, and Manitoba, from June 1, 1931, to June 1, 1936, inclusive, to other Canadian Provinces.....	65
34. Per Cent. Distribution of the Population by Age Groups for the Province of British Columbia, Decennial Census Years 1881 to 1931, inclusive.....	66
35. Numerical and Percentage Distribution of the Gainfully Employed in British Colum- bia by Occupations (with Breakdown for Sex), Decennial Census Years 1911 to 1931, inclusive.....	67
36. A Comparison of the Gainfully Employed and Wage Earners, Ten Years of Age and Over, According to Industries in British Columbia, Census Year 1931 (June 1)....	68
37. The Net Value of Production in British Columbia, 1925-1934, Showing the Relative Importance of Different Industries.....	69
38. The Net Value of Production in British Columbia, after Deducting the Value of Fuel and Electricity used in Industry, 1928-1934.....	70
39. The Number of Gainfully Employed Males and Females, Ten Years of Age and Over, by Occupation Groups, in British Columbia in 1931.....	72
40. Estimated Income of British Columbia, 1928-1934.....	73
41. Farm Population.....	74
42. The Estimated Income of the People of British Columbia, 1930-1931.....	76
43. The Estimated Income of British Columbia, 1930-1935.....	79
44. Summary of the Adjusted Estimates of the Provincial Income of British Columbia.....	79
45. Final Estimate of the Provincial Income of British Columbia, 1930-1934, inclusive....	80
46. The Financial Position of Public Hospitals in British Columbia, 1927-1936, in- clusive.....	89
47. Provincial and Municipal Grants to Public Hospitals to Cover Deficits Arising from their Operations.....	90
48. Average Number of Patients in Residence, Total Maintenance Costs, and <i>Per Capita</i> Maintenance Cost for All Mental Hospitals in British Columbia from 1876-1936 at Five-year Intervals.....	92

TABLE.	PAGE.
49. Statistics of Dominion and Provincial Joint Expenditures in British Columbia for Venereal Disease Control; Dominion Grant to All Provinces for Venereal Disease Control, fiscal years 1919-1920 to 1931-1932, inclusive	95
50. Expenditure for the Venereal Disease Control Clinics, etc., in British Columbia, fiscal years 1931-1932 to 1936-1937	96
51. Statistics of Expenditure in British Columbia for Old Age Pensions and the Dominion's Share of Expenditure in All Canadian Provinces, fiscal years 1927-1928 to 1936-1937, inclusive	100
52. Statistical Summary of Old Age Pensions in Canada by Provinces, as at March 31, 1937	101
53. Number of Pensioners in Each Province in Receipt of Monthly Old Age Pensions, fiscal years 1927-1928 to 1936-1937, inclusive	102
54. Payments and Receipts of British Columbia to Other Provinces on Account of Old Age Pensions, fiscal years 1930-1931 to 1936-1937, inclusive	103
55. Details of Mothers' Pensions Operations	105
56. Joint Dominion-Provincial-Municipal Expenditures in British Columbia for the Purpose of Relieving Unemployment, 1920-1921 to 1936-1937	108
57. Monthly Grant-in-Aid to the Province of British Columbia for Direct Relief by the Dominion Government, August 1, 1934, to November 30, 1937	110
58. Statistics of the Relief Land Settlement Plan in British Columbia, fiscal years ending March 31, 1934, 1936, and 1937	111
59. Statistics of Youth Training Plans Carried out as Relief Projects in British Columbia	112
60. Statement of Persons Employed on the Relief "Work" Projects, Jointly Financed by the Dominion and Provincial Governments in British Columbia	113
61. Unemployment Relief—Expenditure by the Governments of the Province of British Columbia and the Dominion of Canada in British Columbia; Dominion Contribution to Expenditures in All Provinces, 1920-1921 to 1925-1926, inclusive	113
62. Total Expenditure by the Dominion and Provincial Governments on Unemployment Relief in British Columbia for the Years 1930-1931 to 1936-1937, fiscal years	114
63. Expenditure by the Province of British Columbia on Unemployment Relief (Provincial Share) for the years 1930-1931 to 1933-1934, inclusive	115
64. Disbursements to the Province of British Columbia by the Dominion Government under the Unemployment Relief Acts of 1930-1936, inclusive, for the fiscal years 1930-1931 to 1936-1937, inclusive	116
65. Provincial and Municipal Relief Expenditures in British Columbia, fiscal years 1920-1921 to 1925-1926, inclusive, and 1930-1931 to 1936-1937, inclusive	117
66. Dominion Unemployment Disbursements, fiscal year 1936-1937	120
67. Dominion, Provincial, and Municipal Expenditures for Direct Relief in British Columbia, 1936-1937 and 1937-1938 (Estimated)	121
68. Contributions by the Dominion Government for the Maintenance of Employment Offices Established in the Provinces of Canada by the Employment Offices Co-ordination Act of 1919	126
69. British Columbia's Share of Expenditure under the Employment Offices Co-ordination Act (1918); Dominion Government's Share of the Expenditure in British Columbia and in All Provinces, fiscal years 1918-1919 to 1936-1937, inclusive	127
70. Statistics of the Employment Service of Canada (Employment Offices Co-ordination Act) for the Dominion of Canada, fiscal years ending March 31, 1920 to 1937, inclusive	128
71. Statistics of the Employment Service of Canada (Employment Offices Co-ordination Act) for the Province of British Columbia, fiscal years ending March 31, 1920-1937, inclusive	129
72. A Distribution of Patients in Hospitals, Resident in British Columbia Three Years or Less, Showing Ability to Accept Gainful Employment after Dismissal from the Institution, and Ability to Pay for Services Rendered	135
73. A Distribution of Patients or Inmates Resident in British Columbia Three Years or Less, Showing Ability to Accept Gainful Employment after Dismissal, by Occupation	137

TABLE.	PAGE.
74. Growth of the Public School System, 1872-1873 to 1932-1933.....	143
75. Share of Total Cost of Education Borne by the Province and Local Areas, 1871-1872 to 1936-1937.....	143
76. Expenditure of the Federal Grant for Agricultural Instruction in British Columbia, fiscal year 1919-1920	156
77. Dominion Grant to British Columbia and to All Canadian Provinces under the Agri- cultural Aid Act (1912-1913) and Agricultural Instruction Act, 1913-1914 to 1923-1924, inclusive.....	157
78. Grants by the Federal Government to the Provinces under the Agricultural Aid Act, and the Agricultural Instruction Act, for the fiscal years ending March 31, 1913- 1924, inclusive.....	158
79. Statement of Expenditure on Vocational (Technical) Education in British Columbia and All Canadian Provinces for the fiscal year ending March 31, 1927.....	159
80. Technical Education: Dominion Allotments and Payments as at March 31, 1937.....	160
81. Expenditure by the Province of British Columbia; Dominion Expenditures in British Columbia and in all Provinces on Technical Education for the fiscal years ending March 31, 1920-1930, inclusive	160
82. Social Services: Summary of Provincial (Net) Expenditures, fiscal years 1876 to 1936, at ten-year intervals	169
83. Social Services—General and Protective. Social Services—Medical—Health. Social Services—Charitable—Welfare, fiscal years 1876 to 1936, at ten-year in- tervals	169
84. Provincial (Net) Expenditure for Unemployment Relief, fiscal years 1876 to 1936, at ten-year intervals	169
85. Provincial (Net) Expenditure for Education, fiscal years 1876 to 1936, at ten-year intervals	169
86. Provincial (Net) Expenditure for Administration of Justice, fiscal years 1876 to 1936, at ten-year intervals.....	169
87. Summary of Provincial (Net) Expenditures for Social Services, fiscal years 1919 to 1937, inclusive	171
88. Social Services: (General and Protective), (Medical—Health), and (Charitable— Welfare), fiscal years 1918 to 1937.....	171
89. Provincial (Net) Expenditure for Unemployment Relief, fiscal years 1918 to 1937 ..	171
90. Provincial (Net) Expenditure for Education, fiscal years 1918 to 1937.....	171
91. Provincial (Net) Expenditure for Administration of Justice, fiscal years 1918 to 1937	171
92. Municipal Expenditures for Social Services	173
93. Total Expenditures by the Provincial Government and the Municipalities for Social Services	173
94. Provincial Expenditures for Public Works as Percentage of the Total Provincial Expenditures, 1872-1937, inclusive	177
95. Annual Deficit or Surplus from July 20, 1871, to March 31, 1937.....	178
96. The Incidence of Provincial Taxation in British Columbia on a <i>Per Capita</i> Basis for the fiscal year 1935-1936	178
97. Receipts of the Provincial Government of British Columbia from Taxation, fiscal year 1935-1936	179
98. Provincial Revenue Receipts from Non-tax Sources, fiscal year 1935-1936	180
99. The Incidence on Individuals, Industry, and Land, of the Taxation System of the Provincial Government of British Columbia, fiscal year 1935-1936	181
100. An Estimate of the Incidence of Provincial Taxation in British Columbia on (a) Wasting or Wastable Industries, (b) Non-wasting Industries, fiscal year 1935-1936	183
101. An Estimate of the Incidence of Provincial Taxation in British Columbia on Gain- fully Employed in (a) Wasting or Wastable Industry Groups, (b) Non-wastable Industry Groups	184
102. Receipts of the Dominion Government from Customs Duties, Excise Duties, and War Tax Revenue in the Province of British Columbia, 1871 to 1935-1936, inclusive ...	185

TABLE.	PAGE.
103. Incidence of the Dominion Taxation System on Individuals and Industry in British Columbia, fiscal year 1935-1936.....	187
104. The Estimated Incidence of the Provincial and Dominion Taxation Systems on Individuals and Industry in British Columbia, fiscal year 1935-1936.....	189
105. Analysis of Public Debt (Fiscal Years 1874-1937, inclusive).....	190
106. Potential Liabilities.....	192
107. Fixed Charges Paid in Connection with the Provincial Debt, 1883-1937.....	193
108. Sinking Fund Deferred Payments.....	195
109. Analysis of Public Debt, 1878-1917.....	196
110. A Comparison of the Estimated and Actual Revenue and Expenditure, 1912-1937.....	201
111. Population, Area, and Receipts of Municipalities, Calendar Year 1935.....	220
112. Receipts of Municipalities of British Columbia Realized through their own Taxing Powers during Calendar Year 1935.....	221
113. Profit or Loss of Municipal Public Utilities, Calendar Year 1935.....	222
114. Value of Taxable and Exempt Real Property within Municipal Limits, Calendar Year 1935.....	223
115. Potential, Legally Possible, and Actual Rate Bases in Municipalities, 1936.....	224
116. Assessed Values of Real Property within Municipal Limits, Taxable and Actually Taxed.....	227
117. The Municipal Levy on Land and on Improvements, 1936.....	228
118. Comparative Statement of Outstanding Arrears of Taxes, 1917-1936.....	231
119. Levied, Collected, and Uncollected Taxes (as at December 31, 1936).....	231
120. The Total Delinquent Taxes in Unorganized Territory Carried on the Assessment Rolls of the Province (Fiscal Years 1918-1919 to 1936-1937, inclusive).....	235
121. Land Taxes in Unorganized Territory, Calendar Years 1927-1936.....	235
122. School Taxes in Unorganized Territory, Calendar Years 1927-1936.....	236
123. Expenditure of the Province of British Columbia, 1871-1937.....	237
124. Revenue of the Province of British Columbia, 1871-1937.....	243
125. Expenditures of Municipalities, 1917-1935.....	253
126. Liabilities of Municipalities, 1917-1935.....	255
127. Sinking Funds of Municipalities, 1917-1935.....	257
128. Receipts of Municipalities, 1917-1935.....	259
129. Assessments of Municipalities, 1918-1936.....	261
130. Trade of British Columbia with Other Provinces of Canada, 1934 and 1935.....	276
131. Trade of British Columbia with All Countries, Showing the Approximate Balance of Trade, 1934-1935.....	277
132. The Export Trade of British Columbia in 1935, Showing the Principal Commodities Exported to All Countries and to the Seven Leading Importing Countries or Areas.....	279
133. Weights for the Export Price Index.....	281
134. Weights for the Import Price Index.....	283
135. Export Price Index, Import Price Index, and the Barter Terms of Trade between Eastern Canada and British Columbia, 1926-1935.....	284
136. Index of Railway Freight Unloadings in British Columbia.....	285
137. Price Index of Certain Principal Eastern Canada Products Exported from Canada 1926-1935.....	286
138. A Comparison of the Index of Economic Activity in British Columbia and Eastern Canada, Calendar Years 1926-1935, inclusive.....	288
139. Railway Revenue Freight Tonnage Originating and Terminating in British Columbia, 1927-1936.....	290
140. Deep Sea Water-borne Tonnage Originating and Terminating at the Ports of Vancouver and New Westminster, 1927-1936.....	291
141. Distribution of Railway Freight "Commodity" Carload Rates on Traffic Moving West from Toronto to Vancouver, as given in Canadian Freight Association Tariff No. 1-G.....	293
142. Distribution of Railway Freight "Commodity" L.C.L. Rates on Traffic Moving West from Toronto to Vancouver, as given in Canadian Freight Association Tariff No. 1-G.....	294

TABLE.	PAGE.
143. Distribution of Railway Freight "Commodity" Carload Rates on Traffic Moving East from Vancouver to Toronto, as given in Canadian Freight Association Tariff No. 101-E	295
144. Distribution of Railway Freight "Commodity" L.C.L. Rates on Traffic Moving East from Vancouver to Toronto, as given in Canadian Freight Association Tariff No. 101-E	295
145. Estimated Net Imports of Revenue Freight from Eastern Canada into British Columbia on Transcontinental Railways, 1928-1936	297
146. Estimated Yearly Freight Charges on British Columbia's Imports from Eastern Canada	299
147. Estimated Net Exports from British Columbia to Eastern Canada, Railway Revenue Freight, 1928-1936	300
148. Estimated Yearly Freight Charges on British Columbia's Exports to Eastern Canada	301
149. Water-borne Imports from Eastern Canada at the Ports of Vancouver and New Westminster, 1928-1936	303
150. Water-borne Exports to Eastern Canada from the Ports of Vancouver and New Westminster, 1928-1936	303
151. Principal Water-borne Imports Received from Eastern Canada at the Ports of Vancouver and New Westminster, 1928-1935	304
152. Principal Water-borne Exports to Eastern Canada from the Ports of Vancouver and New Westminster, 1928-1935	305
153. Distribution of Ocean Freight "Commodity" Carload Rates on Traffic Moving West from Montreal and Quebec City to Victoria and Vancouver	306
154. Distribution of Ocean Freight "Commodity" Carload Rates on Traffic Moving East from Vancouver to Montreal	307
155. Comparison of the Rail and Water Rate Structures (Showing the Mode, Median, and Arithmetic Mean)	307
156. Distribution of Ocean Freight "Commodity" Less-than-Carload Rates on Traffic Moving West from Montreal and Quebec City to Victoria and Vancouver	308
157. Distribution of Ocean Freight "Commodity" Less-than-Carload Rates on Traffic Moving East from Vancouver to Montreal	308
158. Vessels of British and Foreign Nationality Entered at the Port of Vancouver, 1921-1936	309
159. Comparative Railway Rates on Cement	312
160. Comparative Railway Rates on Paper	312
161. Comparative Railway Rates on Lumber	312
162. Comparative Railway Rates on Iron and Steel Articles	312
163. Comparative Railway Rates on Petroleum Products	313
164. A Comparison of Average "Domestic" Rates, per ton mile on Grain, from Prairie Points to Vancouver and New Westminster and Montreal	314
165. A Comparison of Average "Export" Rates on Grain, per ton mile, from Prairie Points to Vancouver and New Westminster and Montreal	314
166. "All Rail" Rates on Grain to Port Arthur and Fort William, and Total Rates to Montreal	315
167. Distribution of Production Values by Provinces, 1931	316
168. Percentage Distribution by Provinces of Production Values in 1931	317
169. Additional and Dumping Duties Collected	319
170. Bonus Paid to Wheat Growers in the Prairie Provinces by the Dominion of Canada	320
171. Wholesale Price Indexes	321
172. Dominion of Canada, Exchange Profit and Loss, fiscal years 1931-1932 to 1933-1934	328
173. Province of British Columbia—Exchange Profit and Loss, fiscal years 1931-1932 to 1933-1934	329
174. British Columbia Municipalities—Exchange Profit and Loss, fiscal years 1931-1933	330
175. Premium on Foreign Exchange Due to Payments Made by Provincial Governments on Their External Debt for the years 1931, 1932, and 1933	331
176. Estimated Provincial and Municipal Bonded Indebtedness as at January 1, 1933	332
177. Estimated Interest on Provincial and Municipal External Bonded Indebtedness as at January 1, 1933	332

TABLE.	PAGE.
178. Selected Commodity Rates on Traffic Moving West from Toronto to Vancouver	333
179. Selected Less-than-Carload Rates on Traffic Moving West from Toronto to Vancouver	334
180. Commodities Moving West from Toronto to Vancouver on the L.C.L. Rate, \$3.50	334
181. Selected Commodity Rates on Traffic Moving East from Vancouver to Toronto	337
182. Several L.C.L. Rates on Traffic Moving East from Vancouver to Toronto	337
183. Revenue Freight Carried by Canadian Railways, 1928-1936	338
184. Method of Estimating Principal Rail Exports from British Columbia to the Prairies and to Eastern Canada—Revenue Freight, 1928-1936	340
185. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Railway Freight "Commodity" Rates on Traffic Moving West from Toronto to Vancouver	341
186. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Railway Freight "Commodity" L.C.L. Rates on Traffic Moving West from Toronto to Vancouver	342
187. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Railway Freight "Commodity" Rates on Traffic Moving East from Vancouver to Toronto	343
188. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Railway Freight "Commodity" L.C.L. Rates on Traffic Moving East from Vancouver to Toronto	343
189. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Ocean Freight "Commodity" Carload Rates on Traffic Moving West from Montreal and Quebec City to Victoria and Vancouver	344
190. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Ocean Freight "Commodity" Carload Rates on Traffic Moving East from Vancouver to Montreal	345
191. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Ocean Freight "Commodity" L.C.L. Rates on Traffic Moving West from Montreal to Vancouver	346
192. Computation of the Mode, Median, and Arithmetic Mean for the Distribution of Ocean Freight "Commodity" L.C.L. Rates on Traffic Moving East from Vancouver to Montreal	347

ERRATA.

PART II.

- Page 5, line 9: Change "in" to "by" and "\$193,025,308.04" to "\$192,249,504.35."
Page 7, footnote (7): Delete and refer footnote (3).
Page 8, footnote (12): Add "1877."
Page 9, footnote (20): Should read "Section 12."
Page 16, last line: Change "to" to "of."
Page 16, footnote (33): Change "Canada" to "Great Britain."
Page 22, footnote (42): Change "73" to "37."
Page 23, footnote (44): Change "Table 2" to "Table 1."

PART III.

- Page 54, line 1: Change "7,011,223" to "11,217,083."
Page 74, line 18: Change "Table 41" to "Table 40."
Page 79, footnotes: Change Tables "D" to "40," "E" to "42," "F" to "43."

PART IV.

- Page 93, footnote (24): Change "8" to "6."
Page 93, footnote (25): Insert "1924."
Page 104, footnote (50): Change "33" to "32."
Page 126, footnote (79): Insert "section 8."
Page 126, footnote (80): Change "8" to "10."
Page 145, line 32: "as refunds for advances" should read "the rural districts as advances to be refunded."
Page 148, footnote (94): Change "2133" to "233."
Page 154, footnote (114): Insert "1930."
Page 158, footnote (125): Change "1910" to "1919."
Tables 85 and 90: Add footnote "Advances to Rural School Boards comprise loans by the Provincial Government later repaid when the collection of school taxes in unorganized territory is completed. See Page 145."
Page 173, Table 92: Third column, year 1932, "4,621" to read "4,297."

PART V.

- Page 191, Table 105: Footnote (4) to be deleted.
Page 192, Table 106: 8th column, heading, change "Confederation" to "Corporation."
Page 192, Table 106: 7th column, heading, change "West Vancouver" to "West Nicomen."
Page 201, Table 110: Last column, 1936, should read "858,598.62."
Page 226, line 8: Change "9,751,068.54" to "9,850,748.54."
Page 226, line 10: Change "5,997,353.13" to "5,998,018.07."
Page 195, Table 108: Total last column, change "42,960,977.11" to "\$42,960,997.11."
Page 225, line 1: Change "improvements" to "taxation."

PART VI.

- Page 281, Table 133: Change year "1827" to "1927."
Page 325, 1st paragraph: Change "Chart XIII." to "Chart XII."

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION.

PART II.

THE CONFEDERATION SETTLEMENT
and BETTER TERMS.

PART II.

THE CONFEDERATION SETTLEMENT AND BETTER TERMS.

It is not necessary to recapitulate in detail the discussions which led to the basis on which the Confederation of the Canadian Provinces was consummated. It is sufficient to state briefly the financial terms of Confederation. The basic problem was to provide the financial resources which would enable the Federal Government and the Governments of the Provinces to carry out their functions. The main source of revenue of the Provinces had been the customs duties. As it was necessary for purposes of national unity and national administration that the control of external trade and customs duties should be vested in a central Government, other sources of revenue had to be provided for the Provinces.

There was also the question of existing provincial debts which had been incurred on the basis of former sources of revenue, for which provision had to be made. It was arranged that certain debt allowances should be made to the Provinces, approximately equal to \$25.00 *per capita* of population.

In order to provide for the expenses of the local government a yearly grant of 80 cents *per capita* was to be made by the Federal Government to the Provincial Governments, also an arbitrary subsidy in support of the government and legislature, and finally certain special grants were allowed to meet special conditions. Because of different conditions in different Provinces adjustments had to be made with which it is unnecessary here to deal. It is sufficient to say that the financial arrangements of Confederation were a compromise and were designed to meet local and immediate circumstances with a view to facilitating the consummation of Confederation. For this reason alone they could have no character of finality, although from time to time optimistic attempts were made to introduce this element.

The temporary character of the financial arrangements of Confederation is clearly seen from a statement by Sir Charles Tupper in the House of Commons on June 11, 1869, during the debate on additional financial assistance which it was proposed should be given to Nova Scotia. The unofficial report of the debate records that:

"Sir Charles Tupper revealed the most interesting fact that the financial clauses of the 'British North America Act' had never been designed, in their original form, to be permanent. It was distinctly understood at the Quebec Conference, he said, that the financial clauses as set out in the B.N.A. Act were to be only temporary—a means by which a quick agreement between the confederating Provinces could be made—and that after Confederation had been accomplished it was intended to have Provincial and Federal commissions set up to make an exhausting inquiry into the needs of the Provinces. After this inquiry had been completed it was intended to make a just and final settlement. But the Act in its original form was only a stop-gap, and in framing these clauses the Fathers of Confederation had not had any idea of their being considered permanent."¹

The inadequate character of the financial arrangements was soon revealed when, in 1869, protests of unfairness were received from the Province of Nova Scotia. The compromise nature of the financial arrangements of Confederation became of vital importance for the future when provision was made for the

(1) British Columbia, Legislative Assembly, Budget Speech delivered by the Hon. John Hart, Minister of Finance, February 27, 1935, page 26.

admission of other Provinces and the creation of new Provinces in the Canadian Confederation, because the original compromise was applied in these cases.

The Province of Manitoba was created in 1870, and although the conditions there were very different from those which prevailed in the Canadian Provinces or in the Maritimes, similar financial provisions were made on a purely artificial basis, and with little regard to the realities of the situation.

The Colony of Vancouver Island was founded in 1849, and the Colony of British Columbia in 1858. These two Colonies were united into the Province of British Columbia in 1866, and the question of the entry of British Columbia into the Canadian Confederation soon arose. Between British Columbia and Canada there was a wide stretch of prairie country then under the control of the Hudson's Bay Company and the question of union had to be postponed until the control of this territory was vested in the Dominion Government.

In 1870 a delegation from British Columbia visited Ottawa in order to discuss the question of entry into Confederation. Here again the financial compromise which had been necessary to consummate Confederation in the East was applied. Population, which even in the original Confederation had been merely a makeshift measure of need, was again applied. The British Columbia delegation requested an annual subsidy on the basis of a population of 120,000. The population of British Columbia at that time, including Whites, Indians, and Chinese was approximately 35,000. The delegation apparently saw through the population device and treated it as such, basing their requests for subsidy on something which was real, namely, the previous revenues of the Province from customs and excise. A request was also made that the Dominion should guarantee interest at 5 per cent. on a loan not to exceed £100,000 for the purpose of constructing a graving dock at Esquimalt, and also that a wagon-road should be constructed within three years connecting British Columbia with Fort Garry.

Arrangements were finally made to grant a subsidy on the basis of a population of 60,000 amounting to \$48,000 per year, and debt allowances at the rate of \$27.77 *per capita*, amounting to \$1,662,000. The debt of British Columbia was at this time about \$1,000,000 and the Dominion agreed to pay interest at 5 per cent. upon the difference between the allowed debt and the actual debt. A further grant for the support of the government of \$35,000 annually was also made, together with an annual subsidy of \$100,000, provided the Province turned over to the Dominion a belt of land running 20 miles on each side of the proposed Pacific railway. This arrangement was merely a device to give an excuse for the grant. The real basis again was need. In this way the request of the Provincial Government for its financial requirements was met. Not only was the financial basis of Confederation a compromise, but it was quite impossible that the Fathers of Confederation should, at that time, foresee the change which has taken place in public opinion with regard to the functions of government, or the increase in demands made by the public for governmental services of various kinds. Actual payments made by the Dominion Government to the Government of the Province of British Columbia, 1871-1937, are shown in Table 1, amounting over this period to \$32,327,352.20.

It might be concluded from a statement by the Honourable Mr. Galt in the Legislature of Canada in 1865 that the 80 cents *per capita* was intended to cover local expenditure of the Provincial Governments for the social services. He referred to the amount of local revenues of Upper and Lower Canada in the

previous four years and spoke of these revenues as being "independent of the 80 cents per head which it is proposed to allow the local governments out of the general exchequer, for the purpose of meeting their local expenditures. These local expenditures include such items as the administration of justice, the support of education, grants to literary and scientific societies, hospitals and charities, and such other matters as cannot be regarded as devolving upon the General Government."² The total amount of the *per capita* grant paid to British Columbia, 1871-1937, was \$13,843,598.40. The expenditure for social services alone in this Province since 1919-1937 amounted to \$193,025,308.04. The limitations of the forecast of the Fathers of Confederation with regard to further demands of the public on governments and future public expenditure as well as the inadequacy of the financial arrangements of Confederation, is here clearly seen.

Under the Terms of Union³ the Province of British Columbia agreed to relinquish the administration of customs and excise duties to the Dominion, for which the Federal Government assumed in return, the debts and liabilities of the Province at that time, and agreed, in addition, to pay certain sums of money annually for the support of the local government.⁴

As British Columbia had not incurred debts equal to those of the other Provinces then constituting the Dominion, it was provided that interest would be paid that Province at the rate of 5 per cent., payable half-yearly,

"on the difference between the actual amount of British Columbia's indebtedness at the date of the Union, and the indebtedness per head of the population of Nova Scotia and New Brunswick (\$27.77) with the population of British Columbia being taken at 60,000."⁵

In Table 2 the debt account of British Columbia as at December, 1872, is presented. This account gives the debt allowance of British Columbia at Confederation (1871) as \$1,666,200. To that allowed amount must be added the investments which the Province held in its sinking fund, together with other small amounts due to the Province's debt account at that time, and from which must be deducted the funded and floating debt of British Columbia (along with any interest then outstanding) in order to determine the Province's "excess debt" as at December, 1872, which is given as \$665,794.97.⁶

In Table 1 the interest on the "excess debt," the grant for the support of the Provincial Government, the grant on a *per capita* basis, and the compensation for the land conveyed to the Dominion Government, are shown for the years 1871 to 1936-1937, inclusive.

(2) Canada, Confederation Debates, 1865, page 69.

(3) Canada, Statutes, 1872, Terms of Union between Canada and British Columbia; an Order-in-Council, Court of Windsor, May 16, 1871.

(4) *Ibid.*, sections 1, 2, and 3.

(5) *Ibid.*, section 2.

(6) See Table 2.

TABLE 1.

SUBSIDIES PAID BY THE DOMINION GOVERNMENT TO THE PROVINCE OF
BRITISH COLUMBIA, 1871 TO 1936-37, INCLUSIVE.

Fiscal Year.	Public Debt Allowance.	SUBSIDY IN SUPPORT OF GOVERNMENT AND LEGISLATURE.		Compensa- tion for Land Conveyed.	Special Grant, B.N.A. Act, 1907.	Interim Payment, 1934.	Total Dominion Subsidies.
		Subsidy.	Grant Per Capita.				
(1) 1871	\$15,500.00	\$17,500.00	\$24,000.00	\$50,000.00			\$107,000.00
1872	31,000.00	35,000.00	48,000.00	100,000.00			214,000.00
1873	39,147.22	35,000.00	48,000.00	100,000.00			222,147.22
1874	46,977.69	35,000.00	48,000.00	100,000.00			229,977.69
1875	42,029.09	35,000.00	48,000.00	100,000.00			225,029.09
1876	26,896.72	35,000.00	48,000.00	100,000.00			209,896.72
1877	25,093.56	35,000.00	48,000.00	100,000.00			208,093.56
1878	25,093.56	35,000.00	48,000.00	100,000.00			208,093.56
(1) 1879	12,546.78	17,500.00	24,000.00	50,000.00			104,046.78
1879-1880	25,086.23	35,000.00	48,000.00	100,000.00			208,086.23
1880-1881	25,019.12	35,000.00	48,000.00	100,000.00			208,019.12
1881-1882	24,366.33	35,000.00	48,000.00	100,000.00			207,366.33
1882-1883	24,995.66	35,000.00	48,000.00	100,000.00			207,995.66
1883-1884	24,995.66	35,000.00	48,000.00	100,000.00			207,995.66
1884-1885	29,151.06	35,000.00	48,000.00	100,000.00			212,151.06
1885-1886	29,151.06	35,000.00	48,000.00	100,000.00			212,151.06
1886-1887	29,151.06	35,000.00	48,000.00	100,000.00			212,151.06
1887-1888	29,151.06	35,000.00	48,000.00	100,000.00			212,151.06
1888-1889	29,151.06	35,000.00	48,000.00	100,000.00			212,151.06
1889-1890	29,151.06	35,000.00	48,000.00	100,000.00			212,151.06
1890-1891	29,151.06	35,000.00	48,000.00	100,000.00			212,151.06
1891-1892	29,151.06	35,000.00	74,213.60	100,000.00			238,364.66
1892-1893	29,151.06	35,000.00	81,967.20	100,000.00			246,118.26
1893-1894	29,151.06	35,000.00	79,434.00	100,000.00			243,585.46
1894-1895	29,151.06	35,000.00	78,538.40	100,000.00			242,689.46
1895-1896	29,151.06	35,000.00	78,538.40	100,000.00			242,689.46
1896-1897	29,151.06	35,000.00	78,538.40	100,000.00			242,689.46
1897-1898	29,151.06	35,000.00	78,538.40	100,000.00			242,689.46
1898-1899	29,151.06	35,000.00	78,538.40	100,000.00			242,689.46
1899-1900	29,151.06	35,000.00	78,538.40	100,000.00			242,689.46
1900-1901	29,151.06	35,000.00	78,538.40	100,000.00			242,689.46
1901-1902	29,151.06	35,000.00	141,817.60	100,000.00			305,968.66
1902-1903	29,151.06	35,000.00	144,033.60	100,000.00			308,184.66
1903-1904	29,151.06	35,000.00	142,925.60	100,000.00			307,076.66
1904-1905	29,151.06	35,000.00	142,925.60	100,000.00			307,076.66
1905-1906	29,151.06	35,000.00	142,925.60	100,000.00			307,076.66
1906-1907	29,151.06	35,000.00	142,925.60	100,000.00			307,076.66
1907-1908	29,151.06	150,000.00	142,925.60	100,000.00	\$100,000.00		522,076.66
(2) 1908-1909	29,151.06	150,000.00	142,925.60	100,000.00	100,000.00		522,076.66
1909-1910	29,151.06	150,000.00	142,925.60	100,000.00	100,000.00		522,076.66
1910-1911	29,151.06	150,000.00	142,925.60	100,000.00	100,000.00		522,076.66
1911-1912	29,151.06	180,000.00	304,629.60	100,000.00	100,000.00		713,780.66
1912-1913	29,151.06	180,000.00	323,338.40	100,000.00	100,000.00		732,489.46
1913-1914	29,151.06	180,000.00	313,984.00	100,000.00	100,000.00		723,135.06
1914-1915	29,151.06	180,000.00	313,984.00	100,000.00	100,000.00		723,135.06
1915-1916	29,151.06	180,000.00	313,984.00	100,000.00	100,000.00		723,135.06
1916-1917	29,151.06	180,000.00	313,984.00	100,000.00	100,000.00		723,135.06
1917-1918	29,151.06	180,000.00	313,984.00	100,000.00			623,135.06
1918-1919	29,151.06	180,000.00	313,984.00	100,000.00			623,135.06
1919-1920	29,151.06	180,000.00	313,984.00	100,000.00			623,135.06
1920-1921	29,151.06	180,000.00	313,984.00	100,000.00			623,135.06
1921-1922	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1922-1923	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1923-1924	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1924-1925	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1925-1926	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1926-1927	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1927-1928	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1928-1929	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66
1929-1930	29,151.06	190,000.00	419,665.60	100,000.00			738,816.66

(1) 6 months. (2) 9 months.

TABLE 1—Continued.

**SUBSIDIES PAID BY THE DOMINION GOVERNMENT TO THE PROVINCE OF
BRITISH COLUMBIA, 1871 TO 1936-37, INCLUSIVE—Continued.**

Fiscal Year.	Public Debt Allowance.	SUBSIDY IN SUPPORT OF GOVERNMENT AND LEGISLATURE.		Compensa- tion for Land Conveyed.	Special Grant, B.N.A. Act, 1907.	Interim Payment, 1934.	Total Dominion Subsidies.
		Subsidy.	Grant Per Capita.				
1930-1931.....	\$29,151.06	\$190,000.00	\$419,665.60	\$100,000.00	—	—	\$738,816.66
1931-1932.....	29,151.06	190,000.00	555,410.40	100,000.00	—	—	874,561.46
1932-1933.....	29,151.06	190,000.00	555,410.40	100,000.00	—	—	874,561.46
1933-1934.....	29,151.06	190,000.00	555,410.40	100,000.00	—	—	874,561.46
1934-1935.....	29,151.06	190,000.00	555,410.40	100,000.00	—	\$750,000.00	1,624,561.46
1935-1936.....	29,151.06	190,000.00	555,410.40	100,000.00	—	750,000.00	1,624,561.46
1936-1937.....	29,151.06	190,000.00	555,410.40	100,000.00	—	750,000.00	1,624,561.46
Total.....	\$1,933,753.80	\$6,700,000.00	\$13,843,598.40	\$6,600,000.00	\$1,000,000.00	\$2,250,000.00	\$32,327,352.20

SOURCE: British Columbia, Public Accounts, 1871 to 1936-37, inclusive.

Canada, Department of Finance, Auditor-General's Report. Subsidies to the Provinces, Sessional Papers, 1871 to 1935-36, inclusive.

Canada, Department of Finance, Public Accounts, March 31, 1936.

Of further interest is the provision (section 12) that the Dominion would guarantee the interest at 5 per cent. on a loan not exceeding £100,000 for the construction of a graving dock at Esquimalt, for a period of ten years following the completion of the project.⁷

The first adjustment was made in the subsidies to British Columbia in 1873 when the Dominion Government made an upward revision in the debt allowances to all the Provinces. At the time that Ontario and Quebec entered Confederation they had an incurred debt of \$72,900,000 of which the Dominion assumed \$62,500,000. On the balance of \$10,400,000 the two Provinces were to pay interest to the Dominion Government at the rate of 5 per cent. This arrangement was unsatisfactory to Quebec, and the Dominion adjusted the problem by assuming the excess debt of these two Provinces in 1873.⁸

TABLE 2.

**DEBT ACCOUNT OF THE PROVINCE OF BRITISH COLUMBIA WITH THE
DOMINION OF CANADA, DECEMBER, 1872.**

DEBIT.		CREDIT.	
To debentures assumed.....	\$1,168,000.00	By debt allowed at Confederation.....	\$1,666,200.00
Floating debt redeemed.....	\$204,400.00	Investment on account of Sinking Fund.....	442,380.00
14,500.00		Balance in Hands of Crown	
452.51		Agents, July 19, 1871.....	\$14,103.41
10,562.18		Balance in Hands of Crown for	
	309,914.39	investment.....	23,734.15
Interest accrued to Confederation.....	10,420.99	Balance in Hands interest accrued	
Premium and Discount on purchase £3,000		Sinking Fund.....	3,954.73
sterling.....	100.00		41,792.29
Imperial Government on Pension Account	.28	Imperial Government on Postal Service	
		Account.....	3,516.39
		Premium and Discount on Redemption of	
		Floating Debt.....	367.66
Balance.....	665,794.97		
	\$2,154,256.34		\$2,154,256.34
		To Balance.....	\$665,794.97

Finance Department—Ottawa, December, 1872.

SOURCE: Canada, Sessional Papers, Vol. 6, No. 1, Public Accounts, 1873.

(7) Canada, Statutes, 1871, section 12.

(8) Canada, Statutes, 1873, Chapter 30.

The joint debt allowance of Ontario and Quebec was scaled up by \$10,506,100 and a proportionate increase was made in the debt allowance of the other Provinces. As a result of this adjustment British Columbia received an addition of \$280,084 to her "excess debt" account, increasing the total of that fund to \$945,878.97 for the calendar year, 1873.⁹

During this same year the Dominion Government paid out of British Columbia's "excess debt" account \$112,244.48 for provincial obligations incurred before 1871, and received a refund to this account of \$9,483.24. With these additions to and payments out of the Province's "excess debt" account during 1873, the balance in the account at the end of 1873 was \$843,117.83.⁹

The interest paid to the Province of British Columbia on the "excess debt" allowance increased from \$31,000 in 1872 to \$46,977.69 in 1874, as shown in Table 1.

Following representations by the Province of British Columbia, the Dominion Government in 1874 changed the method of giving financial assistance to the construction of the graving dock at Esquimalt. Instead of a guarantee of interest at 5 per cent. on a sum up to £100,000 for a period of ten years following the completion of the dock, the Dominion agreed to share in the cost of the construction, "upon certificates of the progress of the work" to a total sum of \$250,000.¹⁰ British Columbia received no assistance from the Dominion in the construction of the graving dock under this Act.

It was further provided in this Act of 1874 that the Provinces could borrow from their "excess debt" accounts for the construction of "local" works, with the right to repay the loans "on such notice in such sums and on such other conditions as the Dominion Government and the provinces may agree upon."¹¹

British Columbia borrowed \$189,500 from the Dominion for local improvements and public works under the Act of 1874, which was not repaid and was accordingly subtracted from the Province's debt allowance. In addition the Province obtained \$150,000 from the Dominion Government for local public works with the right to repay the loan by July, 1876. There appears to have been some misunderstanding between the Dominion and the Province as to whether it was a temporary loan, which was the Dominion's interpretation, or an outright grant for the graving dock at Esquimalt,¹² which was the Province's viewpoint. When British Columbia failed to repay the "advance" in

(9) British Columbia's "excess debt" account, calendar year 1873.

(a.) Account, January 1, 1873 \$665,794.97

Additions:

(1.) Adjustment of debt allowance..... \$280,084.00

(2.) Refund to account..... 9,483.24

\$289,567.24

Less: Payments out of account..... 112,244.48

Net Addition..... \$177,322.76

(b.) Account, December 31, 1873 \$843,117.73

SOURCE: Canada, Sessional Papers, 1874, part 4.

British Columbia, Provincial Debt Account, year ending December 31, 1873.

(10) Canada, Statutes, 1874, Chapter 17, section 1.

(11) *Ibid.*, section 2.

(12) See Sessional Papers, British Columbia, pp. 359-372 for a full discussion of this matter.

July, 1876, the Dominion subtracted this further sum from the Province's "excess debt" account.

The sum of these two "advances" (\$339,500) reduced British Columbia's "excess debt" account from \$844,077.63 to \$505,577.63.¹³

On the failure of the Dominion Government to assist the Province of British Columbia in financing the graving dock under the Act of 1874,¹⁴ further representations were made to Ottawa. These representations were rewarded with the passage of an Act in 1880 which again authorized the payment of "advances to the province as the work progresses" to a total sum of \$250,000.¹⁵ Under this Statute the sum of \$47,660.22 was advanced by the Dominion Government as its share of the expenditures on the graving dock certificates 1 to 4 inclusive, during the fiscal year 1881-1882 (July 1 to June 30).¹⁶

The problem of financing the graving dock was settled in 1884 when the Dominion Government took over the administration and construction of the project.¹⁷ Under the "Settlement Act" the Federal Government agreed to complete the drydock as a Dominion undertaking, and, in addition, pay the Province a total sum of \$384,512.66.¹⁸ This sum included a "settlement" grant of \$250,000 and \$134,512.66 for those expenditures which the Province had made up to 1884 in constructing the drydock.

The Act of 1884¹⁹ further provided that the Federal Government would give a subsidy of \$750,000 to the Vancouver Island Railway Company upon the transfer of the 1,900,000 acre grant to the Dominion to assist a private company in financing the project. In addition, a block of land comprising some three and one-half million acres in the Peace River Area was turned over to the Dominion to compensate for deficiencies in the former land grant to the Canadian Pacific Railway, which arose principally because of a relocation of the line through the Kicking Horse Pass in place of the Yellowhead Pass.²⁰

A further adjustment was made in the debt allowance to each of the Provinces in 1884, which was made retroactive to 1867.²¹ The increased debt allowance arose from a request of the Provincial Government of Quebec that the interest charged on the "excess debt" of Ontario and Quebec for the six years 1867-73 inclusive, should be repaid. The method of computation was complicated and the Dominion Government, to clarify the adjustment, set down the amount that each Province was to receive in the Act.²¹

Total additions to the "excess debt" accounts of all the Provinces was \$7,172,300 with British Columbia receiving an allowance of \$83,107.88.²² This addition to the British Columbia debt allowance increased that account to \$583,021.40 at which figure it has remained down to the present time with interest of \$29,151.06 paid annually to the Province. (See Table 1.)

(13) Canada, Sessional Papers, 1877, part 4. British Columbia: Provincial Debt Account for the year ending December 31, 1876.

(14) Canada, Statutes, 1874, Chapter 17, section 1.

(15) Canada, Statutes, 1880, Chapter 15.

(16) British Columbia, Public Accounts, 1881-1882.

(17) Canada, Statutes, 1884, Chapter 6, Part F.

(18) British Columbia, Public Accounts, Summary statement of Provincial Receipts, 1880 to 1886 inclusive.

(19) Canada, Statutes, 1884, Chapter 6, Part E.

(20) *Ibid.*, Chapter 15, section C.

(21) *Ibid.*, Chapter 4. See the Act for the method of computation.

(22) Canada, Statutes, 1884, Chapter 4, section 3.

With regard to this settlement the McBride memorandum states on page 15 of "Claims of British Columbia for Better Terms, 1914":

"Under the terms of the Dominion Order-in-Council of 1873 fixing the terminus of the Canadian Pacific Railway at Esquimalt, and the business expectations created thereby; the consequent reservation, at the request of the Dominion Government—to form part of the provincial land subsidy in aid of the railway—of a twenty-mile belt along the east coast of Vancouver Island; the unloading of several cargoes of steel rails at Esquimalt to form part of the equipment of the proposed Island railway; the Carnarvon Award, binding equally upon the Dominion of Canada and the Province of British Columbia, by which the Dominion Government unequivocally agreed to build a railway on the Island of Vancouver from Esquimalt to Nanaimo—admittedly as a just compensation for the delay in the construction of the Canadian Pacific Railway; the refusal of the Dominion Government to reintroduce the legislation confirming the Carnarvon Terms which was defeated by the Senate; the subsequent offer of \$750,000 to the Province by the Dominion Government in lieu of the fulfilment of the Carnarvon Terms, which offer was refused by the Provincial Government; the long delay, disappointments and business losses occasioned by suspense—all these were circumstances not taken into consideration or accounted for in the Settlement Act of 1884. The question is not whether the arrangement then effected was a definite and constitutional settlement. The question now submitted is, was it a fair and just settlement—such a settlement as in all the circumstances should in equity have been made and such as would have been justified by subsequent events and developments?"

The British Columbia delegation which visited Ottawa to discuss the question of Confederation requested that British Columbia be connected with Fort Garry by a wagon-road. Instead of a wagon-road the Province was promised the construction of the Pacific railroad. It has often been said that the construction of this railroad was a concession to British Columbia and was in the nature of a grant. However, the national and imperial character of this road was obvious and it is now generally admitted that it should not be looked upon in any sense as a charge to British Columbia on its entry into Confederation.

Tables 3, 4, 5, and 6 show the public debt of the Colony of British Columbia and the expenditures and revenues from 1867 to 1870. The importance of customs and harbour dues as a source of revenue can be seen from Table 3,

TABLE 3.
REVENUE OF THE COLONY OF BRITISH COLUMBIA, 1867-1870.

	1867.	1868.	1869.	1870.
Customs and Harbour Dues	\$270,002.02	\$381,475.00	\$356,678.32	\$322,906.50
Roads, Tolls	59,522.86	67,825.00	57,512.14	39,302.18
Excise Duties	795.75	5,048.00	4,215.76	2,604.28
Land Sales	3,496.60	5,564.00	1,354.50	8,087.03
Land Revenue	3,665.56	6,156.00	4,662.70	4,792.15
Rents, exclusive of Land	1,954.75	2,163.00	1,640.25	942.50
Free miners' certificates	13,645.00	11,535.00	9,940.00	8,940.00
Mining receipts, General	22,208.13	15,756.00	12,740.12	14,955.00
Licenses	53,850.27	45,589.00	40,358.93	42,295.83
Postage	12,704.60	12,789.00	12,569.61	13,716.73
Fines, forfeitures and fees of Court	8,441.19	4,732.00	5,824.56	7,067.51
Fees of Office	7,855.63	3,179.00	4,534.40	4,247.28
Sale of Government property	1,403.44	2,535.00	2,545.28	1,744.81
Reimbursements for expenses incurred	8,582.90	16,696.00	17,822.83	16,108.01
Interest on investments	2,616.02			
Arrears, taxes due	12,171.85	3,970.00	241.82	820.80
Road taxes			4,871.45	6,563.87
Miscellaneous	188.83	598.00	981.26	256.28
Total	\$483,105.40	\$585,610.00	\$515,539.62	\$495,352.61

SOURCE: British Columbia, Journals of the Legislative Council, and "Colonial Blue Books," 1867-1870, inclusive.

indicating that in these four years it formed 64 per cent. of the total revenue. The net debt in 1869 is seen to be \$1,181,103.13. Of this total \$720,603.88 had been incurred for road purposes, and \$141,457.71 had been incurred by the separate Colony of Vancouver Island for roads and harbours. Thus, of the total debt, \$862,061.59 was incurred in the necessary economic development of the Province and included expenditures for the Cariboo Highway. This amounts to 72.9 per cent. of the total debt.

TABLE 4.
EXPENDITURES OF THE COLONY OF BRITISH COLUMBIA, 1867-1870.

	1867.	1868.	1869.	1870.
Establishments	\$147,753.61	\$185,656.15	\$155,051.94	\$153,165.85
Pensions	8,768.23	7,002.02	6,020.93	2,909.96
Revenue services, exclusive of Establishments	1,346.90	2,653.09	2,748.17	1,653.50
Administration of Justice, exclusive of Establishments	5,299.97	6,924.62	8,233.99	6,666.31
Ecclesiastical, exclusive of Establishments				
Charitable Allowances	7,971.63	10,850.47	11,326.25	10,560.00
Education, exclusive of Establishments	5,064.18	10,109.51	5,577.69	9,682.62
Hospitals, exclusive of Establishments				
Police & Gaols, exclusive of Establishments	19,795.31	16,742.99	16,715.44	17,120.70
Rent	1,210.70	648.06	868.46	675.46
Transport	8,126.57	14,481.11	10,926.22	8,406.42
Conveyance of Mails	36,028.44	51,043.49	33,239.83	38,091.51
Works and Buildings	7,844.26	24,595.33	12,385.71	15,471.03
Roads, Streets and Bridges	26,844.32	50,036.49	49,601.35	63,275.27
Miscellaneous services	16,390.22	20,402.51	33,946.94	39,231.51
Interest	98,914.89	99,736.07	102,082.41	121,702.93
Drawbacks and refunds	2,655.87	3,659.61	1,962.18	1,895.98
Immigration				2,347.97
Redemption of Bonds	2,425.00			
Sinking Fund	58,269.77	62,686.25	29,948.75	
Temporary Loans	31,745.43		5,308.05	
Home Government Account				
Government vessels	9,037.40	19,818.73	16,388.50	21,490.71
Lighthouses	9,481.27	10,264.23	10,206.76	10,347.77
Deposits	894.40			
Total	\$505,868.42	\$597,346.73	\$515,539.62	\$524,695.50

SOURCE: British Columbia, Journals of the Legislative Council, and "Colonial Blue Books," 1867-1870, inclusive.

TABLE 5.
THE PUBLIC DEBT OF THE COLONY OF BRITISH COLUMBIA, 1867-1870.
THE EXTENT OF THE DEBT.

Year.	THE GROSS DEBT.			Sinking Fund and Debt Redemption.	The Net Debt.
	(Funded.)	(Temporary Loans.)	(Total.)		
1867 ..	\$1,409,837.00	\$126,814.75	\$1,536,651.75	\$269,491.36	\$1,267,160.39
1868 ..	1,441,837.00	70,299.70	1,512,136.70	324,406.98	1,187,729.72
1869 ..	1,444,837.00	90,342.04	1,535,179.04	354,075.91	1,181,103.13
1870 ..	(1)	(1)	(1)	404,273.41 (2)	(1)

(1) These statistics are based on the "Colonial Blue Book." Unfortunately the figures for 1870 have been lost and no other sources are available.

(2) The sinking fund figures for 1870 are given in the Journals of the Legislative Council.

SOURCE: British Columbia, Journals of the Legislative Council, and "Colonial Blue Books," 1867-1870, inclusive.

N.B.—In 1871, the Dominion Government assumed the Debt of British Columbia which amounted at that time to \$1,168,000. The amounts shown are net figures. Canada, Public Accounts, Part IV., No. 10, 1873.

TABLE 6.

THE PUBLIC DEBT OF THE COLONY OF BRITISH COLUMBIA, 1867-1870.

THE PURPOSES FOR WHICH THE DEBT WAS INCURRED.

	1867.	1868.	1869.	1870.
General Purposes (repayment of existing debts, deficits, incidentals etc.) (1)	\$310,814.56	\$286,254.70	\$309,342.04	.....
General Road Purposes (2)	790,208.31	745,713.65	720,603.88	\$678,166.38 (5)
Roads and Harbours (3)	156,438.02	146,061.87	141,457.71	133,697.71 (5)
Wagon road between Cook's ferry and Clinton (4)	9,699.50	9,699.50	9,699.50	9,699.50 (5)
Total Net Debt	\$1,267,160.39	\$1,187,729.72	\$1,181,103.13	.....

(1) General purposes includes temporary and unfunded obligations.

(2) This was made up from the proceeds of 3 loans.

1—The Loan of 1862 of £50,000 and which realized \$242,500.

2—The Loan of 1863 of £50,000 and which realized \$242,500.

3—The Loan of 1864 of £100,000 and which realized \$485,000.

(3) Contracted in 1862 by the formerly separate Colony of Vancouver Island: the loan realized \$194,000 and was for £40,000.

(4) Loan of 1863 which realized \$61,837.

(5) Journals of the Legislative Council (Appendix B 1869—Estimates of Expenditure during 1870).

SOURCE: British Columbia, Journals of the Legislative Council, and "Colonial Blue Books," 1867-1870, inclusive.

The financial settlement with British Columbia continued to prove unsatisfactory, and in 1900 a delegation headed by the Honourable James Dunsmuir proceeded to Ottawa "to lay before the Government of Canada certain matters requiring adjustment between the two governments and to present certain claims of the Province of British Columbia for increased recognition at the hands of the Dominion."²³ Many matters affecting British Columbia were discussed, including the financial relations of the Province of British Columbia and the Dominion of Canada. The Honourable James Dunsmuir stated in a letter to Sir Wilfrid Laurier:

"There is a well-known disposition on the part of the people of Eastern Canada to regard the building of the Canadian Pacific Railway as a sort of contribution to British Columbia sufficient for all time to come. The fact is that, by the building of that railway, an outlet in the whole of the North-West has been afforded for the Canadian manufacturer and the wholesaler greater in its benefits than the sum of all the other acts of statesmanship since Confederation, not to speak of the tremendous possibilities which have been opened up for trans-oceanic traffic, and the importance which this development has given to Canada in the eyes of the world. In my opinion it has made Canada a nation and, in a large measure, saved it from the fact of annexation with the United States, which only the vision of a Confederation of Provinces, united by a railway and cemented by trade interests, could have averted. As the situation is at the present time, British Columbia is paying for those advantages and Eastern Canada is reaping them."²⁴

Dealing with the question of financial relations between the Province and the Dominion, Honourable Mr. Dunsmuir presented a statement of revenue and expenditure of the Dominion Government in the Province of British Columbia in which he claimed that from 1872 to 1901 the Dominion Government had obtained revenue amounting to \$42,000,000 from the Province, which was on a much higher basis than that of any other part of Canada, and that over a period of 30 years $\frac{1}{55}$ of the population had contributed about $\frac{1}{20}$ of the revenue of Canada. This revenue was mainly from customs, and it was

(23) British Columbia, Sessional Papers, 1901, Report of the Delegation to Ottawa, page 545.

(24) *Ibid.*, page 549.

pointed out that at that time—as distinct from other ports in Canada—goods arriving at British Columbia ports were consumed within the Province. It was also pointed out that the total amount expended in the Province during the same period was only \$29,000,000. It was emphasized that at that time, through the revenues accruing to the Dominion, British Columbia had not only practically paid its own way and repaid the Dominion for its expenditures in the Province, but had also become liable for its share in the increased debt of the Dominion Government. It was also pointed out that, because of the physical features of the Province, the great distances to be covered, and the difficulty and expense of communications, the cost of Government per capita was high in British Columbia. It was stated that in order to enable British Columbia to carry on successfully it would require a larger population, which would necessitate development of its resources, and that this was impossible so long as the revenues of the Provinces were drained by the Dominion Government.

In 1903 a second delegation visited Ottawa under the leadership of Honourable E. G. Prior, and the main subject of discussion was again the readjustment of financial relations between the Province and the Dominion. At this time there was also an inter-provincial conference held at Quebec to discuss the problems of the Confederation. In his statement the Honourable Mr. Prior said (British Columbia, Sessional Papers, 1903, p. K 6) :

“The position we take is not that the Dominion Government has violated the Terms of Union, or that we are entitled to compensation for lack of fulfilment in any substantial respect, as the performance of a legal contract could be construed; but we do contend that in the development of the constitution, in its actual operation, from the date of Confederation in 1871, that a state of affairs has grown up in British Columbia and in the Dominion, as the result of the union between the two, that has established a moral right and a sound constitutional claim on our part for increased recognition—and a state of affairs that was not anticipated by either party to the Federal compact.”

He further stated:

“At the time of the British North America Act, or the British Columbia Terms of Union were passed, it was impossible for either party to foresee the results of union, or to fix in an absolutely definite way and unalterably the financial relations, so as to provide equitably for all time to come for the requirements of both classes of governments; and that it was the evident intention of the framers that adequate provision should be made for both;

“That with reference to British Columbia, although it is not contended that it was forced into Confederation as it is claimed Nova Scotia was, yet the circumstances and conditions of the Province were such that there was little alternative left to her in the matter of terms;

“That the terms were not the terms the people of British Columbia asked for and believed were necessary for the adequate administration of local affairs and the development of the country;

“That, as shown by the debates which took place both in the local House and in the Houses of Parliament at Ottawa, in neither case were the framers of the terms able to accurately or even approximately foresee what the results would be, and that in a great measure for both it was a leap in the dark;

“That the people of British Columbia did, from a local knowledge of their own Province, appreciate the necessity of and stipulate for a much larger provision for the financial requirements of the Province than was conceded by the Dominion.”

The special difficulties of British Columbia were claimed to be:

“1. The cost of administration, owing to the physical character of the country.

“2. The distance from the commercial, industrial, and administrative centres of Eastern Canada.

"3. The non-industrial character of the Province as compared with Eastern Canada, whereby a larger percentage of goods are imported and consumed, increasing the contributions to the Federal Treasury, in the way of taxes, in a ratio of three to one.

"4. The disadvantage of the Province in relation to the markets for its special products."

Another delegation visited Ottawa in 1903 and financial relations were again the main point at issue, no action having been taken by the Dominion Government as a result of the submission of the previous delegation.

"It was pointed out that it was not intended that the financial relations existing at the time of Confederation and adopted as a basis in connection with the distribution of revenues should be unalterably fixed for all time to come; or, at least, it was not such an arrangement as should always exist. Conditions have changed and the development which had occurred, more especially in British Columbia, pointed to the equity of a readjustment from time to time. The desirability of periodical readjustments was suggested. As pointed out, in the Report of the Delegates of 1903, the probable outcome of Confederation, under the Terms of Union with British Columbia, could not possibly have been foretold. All the evidence to be gleaned from the debates in Parliament, both at Ottawa and at Victoria, at that time, goes to show that the matter was not understood. The predictions then made in both Houses have not been realized, and an entirely different state of affairs has come to exist from what was anticipated at Ottawa. The members of the delegation submitted that the position of British Columbia in the Union was greatly prejudiced as a consequence. Instead of remaining a drag on Canada and a financial burden, the Province has become, from a revenue-producing point of view, the best asset the Dominion has, and has contributed far more to the Dominion Treasury, in proportion to population, than any other Province of the Dominion, the ratio *per capita* contribution being three to one, compared with the whole Dominion. It did not follow that periodic readjustment would always result in the payment by the Dominion of increased subsidies to the Province."²⁵

The basis of argument for financial readjustment was similar to that of the previous delegation. British Columbia had joined with the other Provinces in requesting readjustment of financial conditions but had also made a separate claim. To this, objection was taken by the Dominion Prime Minister, who said:

"I would see very great difficulties in having separate arrangements for each of the Provinces, and it seems much more natural that, if the subject is taken up, it should be so taken up with the view of laying down a uniform systematic and final basis, which should work and apply mechanically to all the component elements of our federative union."²⁶

To this the Honourable Richard McBride replied:

"You deprecate the idea of separate arrangements with the Province, and advocate something which will be automatically uniform. So far as such an arrangement can be shown to be possible, I sympathize with your view, but we are now dealing with a set of conditions which are not and have not been uniform in their effect, a fact which is the principal burden of our complaint. I beg to remind you that the financial arrangements in respect to all the Provinces are separate. The treaty of this Province with the Dominion is a separate contract; and so long as conditions differ in provinces, so long must their financial relations differ. It is impossible to foresee developments of the future, and consequently impossible to adequately and equitably provide for them. My idea of a solution is a provision for periodic adjustments rather than an attempt to make a permanent arrangement such as you suggest. The Australians anticipated our difficulty in their new Constitution by stipulating for a return of the revenue to the parent State after a certain contribution to the Treasury of the Commonwealth had been reached. Some arrangement of this kind should have been made in Canada at the outset.

"The position of the Province of British Columbia is this: We say that the conditions which do now and have always existed are so radically different from the rest of Canada—although the sources of revenue are the same—as to have imposed special

(25) British Columbia, Sessional Papers, 1903-1904.

(26) *Ibid.*, page G-27.

burdens on our people and constituted grievances of a special character. We have set out in a series of representations what these special conditions and grievances are. These representations have been before you for some time, and no single statement contained in them has been denied or refuted. Failing other recourse, we have asked for a commission to find whether these grievances are real and substantial or invested for political effect, as has been alleged. This has been denied us.”²⁷

A further statement of the case of British Columbia was made in 1905 in which the high cost of Provincial administration, because of the extent and topographical character of the Province was emphasized, particularly with reference to road construction. It was also pointed out:

“British Columbia’s *per capita* expenditure for Civil Government, arising out of the services of the Government required in widely-scattered communities, is over nine times that of the average of the other Provinces.”²⁸

It was also pointed out:

“The second cause which operates disadvantageously towards British Columbia is its position in relation to other provinces and other countries, which adds, as additional imposts, long-distance freights to the first cost of articles imported for use and for local manufactures; and also minimizes to an unusual degree the advantages to be derived from inter-provincial trade, which was the commercial object of Confederation.”²⁹

It may be pointed out here that, until the opening of the Pacific railroad, the fact that British Columbia was part of the Canadian free trade area was of no benefit to the Province whatever. Even after the opening of the railroad the population of the Prairie hinterland was so small for a considerable time that it could not possibly have provided a market of any significance. In 1881 the population of Manitoba was 62,260, and that of the North-west Territories, 56,446. In 1891 the population of Manitoba was 152,506, and that of the North-west Territories, 98,967. Even in 1901 the population of the Prairies amounted to only 619,841.

It will be shown later that even with an increased population the trading benefits to British Columbia were comparatively small, while the disadvantages of being within the Confederation were great. An estimate was made of the total internal trade of Canada by the Dominion Statistician at that time, showing the total internal trade of Canada to be approximately \$315,000,000.³⁰ It was estimated by the Dominion Statistician at that time that the trade of British Columbia with other Provinces, consisting chiefly of lumber, shingles, fish, and fur, and including shipments of goods to the Yukon, was only about \$3,000,000, or 1 per cent. of the whole inter-provincial trade of Canada. It was pointed out that British Columbia, having 3 per cent. of the population, paid 8 per cent. for the price of Confederation in return for 1 per cent. of trade benefits. The chief products of British Columbia—being minerals, fish, and lumber—had to be sold outside Canada in competition with similar products from all parts of the world. British Columbia had to “reverse the order of successful business principles and buy in the dearest market and sell in the cheapest.”³¹

During this period British Columbia was finding difficulty in balancing its budget, and, in fact, over the period of 33 years had only once produced a surplus of revenue over expenditure. Deficits had accumulated amounting to

(27) *op. cit.*, page G-29.

(28) *op. cit.*, 1905, page D-7.

(29) *op. cit.*, page D-9.

(30) *op. cit.*, page D-10.

(31) *Ibid.*

about \$10,000,000. At the same time the Dominion Treasury was drawing large revenues from the Province in spite of its disadvantageous position in the matter of inter-provincial trade.

In view of these circumstances the Government of British Columbia requested the appointment of an independent commission, to investigate its position. It was stated:

“If by such reference the contentions of the Province be sustained, the duty of the Dominion Government will be obvious; if the report be unfavourable to those contentions, then the subject will be forever removed from the arena of controversy.”³²

British Columbia has always been prepared to have its position in Confederation openly examined by an independent body.

Another matter which was drawn to the attention of the Dominion Government was the greater degree of organization of municipal government in the East, particularly in Ontario and Quebec. It would appear that in the Confederation arrangements this element was not given sufficient consideration, even though it was discussed as between Nova Scotia and the central Provinces. The financial problems of a Provincial Government cannot be separated from those of the municipalities. The taxpayers are the same in both cases, even though the basis of taxation may be different. It is the cost of government as a whole, and not the cost of any one form of government, which is important in the Dominion-Provincial financial relations. In British Columbia only a small part of the Province is organized in municipalities. Consequently, there is a greater administrative responsibility on the Provincial Government than is true of more highly organized Provinces.

A Conference was held between the Provincial Governments and the Dominion Government in 1906 for the purpose of discussing financial subsidies to the Provinces. This was attended by Honourable Richard McBride (later Sir Richard) representing British Columbia. It was urged that, apart from any general settlement as between the Dominion Government and the Provinces, British Columbia had a claim to special treatment. This was admitted by the Conference, and the Conference was asked for a decision as to the extent of the special claim of British Columbia. Mr. McBride protested the submission of British Columbia's case to the Conference, as he believed it to be a matter for arbitration, the question being one solely between the Province of British Columbia and the Dominion Government. It was decided to grant to British Columbia the special sum of \$100,000 annually for ten years. McBride considered this inadequate, and his submission not being considered favourably, he withdrew from the Conference. It was finally decided to increase the grants for the support of the Government and also to raise the limit of population on which the *per capita* subsidy was to be paid. This resulted in an increase in the grant for support of government in British Columbia to \$115,000 annually.³³

(32) *op. cit.*, page D-11.

(33) The sum paid to each Province for the support of the Government and Legislature was readjusted and fixed as follows: Canada, Statutes, 1907, Chapter 11, section 1 (2), (a):

Population.	Grant.	Population.	Grant.
Under 150,000.....	\$100,000	400,000— 800,000.....	\$190,000
150,000—200,000.....	150,000	800,000—1,500,000.....	220,000
200,000—400,000.....	180,000	Over 1,500,000.....	240,000

The limit of the population of a Province for which 80 cents per head would be paid by the Dominion was set at 2,500,000 with 60 cents for the number of the population in excess of that number (Canada, Statutes, 1907, Chapter 11, section 1 (2), (a)).

It was proposed to bring these new arrangements into effect by amendments of the B.N.A. Act, and the terms were declared to be final and unalterable. This latter was objected to strenuously by McBride who protested in person in London and succeeded in having this clause removed from the amending legislation. McBride stated (British Columbia, Sessional Papers, 1908, page C-2) :

"With reference to the various discussions I have on the subject of my mission, I found that the feeling at first prevailed that as the Dominion Parliament and the Governments of the Provinces of Canada, with the single exception of that of British Columbia, had asked for the Bill in the form proposed, the Imperial Parliament was bound to respect their wishes, and give them effect. Otherwise, it would appear as an interference in the domestic affairs of Canada, a course to which His Majesty's Government or the members of the Imperial Parliament would be wholly adverse. I had some difficulty in dissipating this view of the case, but I was, as you will observe by the correspondence, quite successful. I endeavoured to make it clear that, while in some respect Confederation might be regarded as a pact among Provinces as well as with the Dominion, the Terms of Union, in each instance, represented a separate and distinct treaty with Canada, entered into without reference to the terms granted to other Provinces, and that, therefore, it followed that in changing the Terms of Union we had to deal with the Dominion alone. To say that British Columbia was bound to accept the terms of subsidy recommended by the other Provinces would be to coerce that Province and to seriously invade provincial rights. I asked that the Province be permitted to settle its own way; and pointed out that, so far as such a course being one of interference in the domestic affairs of Canada, it left the Imperial authorities in a position of perfect neutrality; whereas, passing the Act in the form proposed, the Imperial Government was taking sides with the Dominion of Canada against the Province in their dispute and confirming an act to which the people of British Columbia were utterly opposed. I am happy to say that this view ultimately prevailed and the Bill in its modified form, with the words 'final and unalterable' eliminated, was introduced and passed in the House of Commons without opposition."

In 1911 McBride again headed a delegation to Ottawa to discuss Dominion-Provincial relations, and on this occasion he succeeded in securing an agreement on the part of the Dominion Government to appoint a Royal Commission of three members to investigate the claims of British Columbia for special treatment. One member of the Commission was to be named by the Dominion, one by British Columbia, and a third was to be selected by these two, or in the event of disagreement, by the Colonial Secretary. The Dominion and Provincial members of the Commission were appointed, but before the third member was selected the Great War broke out and the Commission never met.

However, a "Memorandum Respecting Claims of British Columbia for Better Terms" was prepared, and emphasis was placed on the high cost of Government due to the

"physical configuration of the Province, which renders local administration exceptionally expensive and difficult, and in a ratio of great disparity as compared with those of other provinces. The physical aspects of the case of the Province for special consideration include also geographical isolation and all such considerations as arise out of the peculiar configuration and geographical position of the Province.

"These have caused a local cost of administration in respect to all branches of the public service disproportionate to the cost of similar services in the other provinces, on account of which the allowance from the Dominion has from the outset been wholly inadequate; which has imposed an additional burden in the way of through and local traffic rates to be borne by the local consumer, and minimized to the lowest degree the opportunities and advantages of inter-provincial trade, which constituted the main objects of Confederation; and which have accounted in a large measure for the unusually large contributions on the part of the Province to the Dominion in respect of customs

levies, also for the sparseness of population upon which the burdens of state must rest in relative disproportion as compared with provinces like these of the Middle West capable of compact settlement throughout.”³⁴

It was pointed out that, owing to the inadequacy of the financial provision for Government in the Province of British Columbia, the Government had to “pawn the subsidy” and impose a series of taxes which did not exist in the other provinces of Canada: personal property, real property, income, and revenue taxes.

“Eastern Canadians were for a long time wholly ignorant of British Columbia, and very indifferent about its welfare. In fact, generally speaking, the mental attitude of the people towards the Province for about thirty-five years was not only of a negative character, but to a very considerable extent unfavourable; not intentionally so, but, because they did not understand the real situation and had been prejudiced on account of a long political fight in which British Columbia and the Canadian Pacific Railway were the principal issues. Hence, even if various Governments had been more favourably disposed, the mental attitude of the people as a whole would have prevented a betterment policy being carried out. British Columbia was not only commercially isolated, but she was politically isolated as well.

“For a proper knowledge of the case it is necessary to consider the conditions which existed at the time British Columbia entered Confederation, and the mental attitude in which the Terms of Union between the Province and the Dominion were framed. Public sentiment, as represented in Parliament, was prejudicial to more favourable terms being granted. A large section of Canada was utterly opposed to union with British Columbia on the terms under which the construction of a trans-continental railway was rendered obligatory. It was only upon grounds of large public policy of a national character—the rounding out of Confederation—that their adoption was justified. It was almost universally conceded that the Province, physically handicapped as it was, would not pay its way in Confederation, and it was strongly contended that the construction of the Canadian Pacific Railway—an essential demand of British Columbia—was too great a sacrifice on the part of the Dominion, and that the railway when built would prove unremunerative. Consequently, the financial terms conceded to British Columbia were the least favourable possible, and without any adequate knowledge of its financial requirements.

“A similar attitude towards British Columbia was maintained as long subsequently as 1884, when the Settlement Act was passed, whereby the outstanding differences between the two governments were finally adjusted. By means of the Settlement Act, the Province, tired of delays and wearied with fruitless negotiations, agreed to transfer 3,500,000 acres of the best land of the Province, in lieu of net expenditures on the part of the Dominion, amounting in all to about \$1,250,000. These lands worth now at the lowest valuation \$35,000,000, together with 2,000,000 acres of land on Vancouver Island, including all their valuments—worth at least \$25,000,000—were parted with to secure a railway from Esquimalt to Nanaimo, costing less than \$3,000,000, which under the terms of the Carnarvon Award was to have been built by the Dominion without cost to the Province. The value of such concessions was not then foreseen. The treaty of 1871, as amended in 1884, was made, by both parties to it, in misapprehension of the possibilities of British Columbia and the development to accrue from the building of the Canadian Pacific Railway.

“The subsequent course of events has shown that British Columbia has not only paid its way in Confederation, but has contributed in forty years about \$35,000,000 in excess of what it has cost the Dominion; that the Canadian Pacific Railway has been instrumental more than any other factor in raising up Canada to the proud position which it occupies to-day, with benefits vastly greater to the rest of Canada than to British Columbia; and that the Settlement Act gave a realizable asset to the Dominion thirty times greater than the expenditure which it involved.

“The Government of British Columbia submits as incontrovertible that the original and amended Terms of Union having been based upon assumptions which have proved groundless, and that as the very opposite of what had been anticipated has transpired,

(34) “Memorandum Respecting Claims of British Columbia for Better Terms,” page 1.

it is incumbent upon the Dominion, morally and constitutionally, in the light of developments which have actually taken place, to now substitute fairer terms for those perforce made in anticipation of what did not happen."³⁵

In connection with the building of the Pacific railroad, it was claimed that British Columbia made an unduly large contribution. It was understood that the railway should be built mainly out of land subsidies, and that all Provinces through which it passed should contribute in a proportion similar to that in British Columbia. The forty-mile belt in British Columbia was intended to be used as a subsidy to the railway company and not to be retained by the Dominion Government. This arrangement was subsequently altered, and Ontario was not asked for any contribution in the way of land subsidy. Instead, a cash subvention of \$25,000,000 was granted, and the completed portions of the railway handed over to the Company. Thus, British Columbia not only gave its lands to the Dominion, but also shared in the cash contributions on a higher *per capita* basis than any other part of Canada, when the larger revenues accruing to the Dominion from this Province are considered.

With regard to the estimated expenditures and receipts in the Province of British Columbia, the Memorandum also stated:

"It should here be pointed out that the figures given in the tables of receipts and expenditures as between the Province and the Dominion are not strictly a logical basis of a claim for Better Terms, because it is a variable quantity and may not be permanent in any sense. Besides, they do not strictly affect the relations of the Province and the Dominion as such. Their principal use is in emphasizing the peculiar situation of the Province, and in demonstrating that the Province, instead of remaining a burden on the rest of Canada and as a particularly bad asset, has been contributing *per capita* far more than the inhabitants of the rest of Canada, and far in excess of what she has cost the Dominion. It is very difficult to analyze these statements. In them the cost of the construction of the main line of the Canadian Pacific Railway in the Province is not charged, because that railway is strictly a national undertaking and should no more be charged to the Province of British Columbia than the canals to Ontario in a similar accounting, or the Intercolonial Railway to the Maritime Provinces. On the other hand, the Province is charged with a number of items such as quarantine, militia, defence, the cost of the Indians, etc., etc., which are matters for the protection and benefit of the whole Dominion. A contra statement was made by the Dominion and submitted to Parliament, in which the Province was charged with the whole cost of the Canadian Pacific Railway in British Columbia and one-seventh of the cost of the administration of all the departments of Federal administration, in addition to all other expenditures, of whatever nature, in this Province. This is obviously absurd and unfair, and in a very simple way this may be shown. Since 1871 the public debt had risen from \$115,500,000 to \$475,000,000 in 1911. Had the rest of the population of Canada contributed in the same proportion as British Columbia to the Federal Treasury—taking the average population over the whole period to be 5,073,845 and 152,594 respectively—instead of a total revenue of \$1,847,997,480 in forty-one years there would have been a total revenue of \$3,186,674,660.

"It may be stated in reply that there is no method of ascertaining the exact amount of the contribution in customs and inland revenue of a province to the Dominion, as imports charged to certain ports are distributed all over the Dominion. This is true of such ports as Halifax, St. John, Quebec, Montreal, and Toronto, which are ports of entry for the Dominion, but practically everything entered at British Columbia ports is consumed in the Province. A little goes to the Yukon, and latterly a small business in teas and coffee is done in the Middle West through Vancouver and Victoria, but is insignificant as compared with the whole amount of imports. Up until 1898 until the Yukon was opened up, not a dollar's worth of imports entered at our ports was re-exported. Oriental and Australian goods destined for Eastern ports are not entered at Vancouver, but shipped through in bond and pay duty at the point to which they are consigned. Therefore, we have a pretty exact method of comparing the contributions in the way of

(35) "Memorandum Respecting Claims of British Columbia for Better Terms," page 7.

taxation by British Columbia with—not any particular province but—the whole of the rest of Canada. British Columbia stands almost as a unit on the Pacific Coast, and any small export from the Province of imported goods is far more than offset by imports of goods from the Eastern provinces which have previously paid duty there; but as has been stated, however, this whole matter of receipts and expenditures is mainly useful as demonstrating the disadvantageous position of the Province as compared with other provinces, and demonstrating how thoroughly the original impression as to British Columbia's place in Confederation has been dissipated by actual facts.”³⁶

It has been stated by J. A. Maxwell in his study of “Federal Subsidies to the Provincial Governments in Canada” that:

“The unwarranted assumption was made that receipts from customs at the ports of entry in the province represented contributions by the people of British Columbia to the revenue of the Dominion. But it was certain that a large portion of various articles on which a duty was paid—notably sugar, tobacco, spirits, and wines—did not remain in the province for consumption, and that, therefore, the duties collected upon them did not bear upon the people of British Columbia.”³⁷

A study of the trade of British Columbia would indicate that conditions were such that only a comparatively small part of these goods would have been shipped outside British Columbia.

The disabilities of British Columbia were again urged at a Conference on Taxation held in Ottawa in 1924. In the interval the costs associated with the participation of Canada in the Great War had placed new financial burdens on the Dominion Government. This was recognized by the British Columbia delegation, but it was pointed out that, apart from the consequence of the war, “as a logical result of natural development, radical changes in the commercial and industrial life of the country have taken place. Consequently, the revenue arrangements, devised to meet the relatively simple business conditions prevailing at the time of Confederation, are found, after sixty years, to be in need of revision to conform with the requirements of modern times.”³⁸

“Particular stress was laid upon the invasion of the field of direct taxation by the Dominion Government in imposing income taxes and other direct taxes on banks, loan, trust, and insurance companies, which had previously been regarded, by common consent, as the exclusive domain of Provincial taxation. Although it was freely admitted that in this respect the constitutional powers of the Dominion are unlimited, it was felt that this power, inasmuch as it drains the source of Provincial revenue, should be used with due restraint and only during the period of an emergency.”³⁹

In 1927 a further claim was made by British Columbia for readjustment of the Terms of Union. It was then stated:

“In presenting the case of British Columbia for adjustment of the Terms of Union relating to subsidies, it will be readily seen that a grave injustice was committed through the misconception and lack of knowledge of the vast potentialities and strategic importance of this Province to the scheme of Confederation.

“From time to time claims for adjustment have been brought to the attention of the Federal Government, but only temporary relief has been given. Our disabilities, however, are of a permanent character and can never be overcome under existing subsidy arrangements, unless such payments are progressive, increasing in ratio to growth as added responsibilities accrue. In assimilating the ideas of the framers of Confederation conveyed through the debates at the time, there was evident a paramount feeling of

(36) *op. cit.*, page 17.

(37) *loc. cit.*, page 127.

(38) “British Columbia's Claim for Readjustment of Terms of Union,” 1927, page 27.

(39) *Ibid.*

paternal supervision permeating the minds of the Central Government. The conception of the subsidy idea gave no elasticity to the redistribution of surrendered receipts to meet the constantly growing requirements.

"The system should, therefore, be revised to measure up to the standard by which the term 'subsidy' should be 'the complex of those objects which in a given economic area and in a given economic system have as their normal purpose the facilitation of economic intercourse (or transfer of values) between economic units, the tangible embodiment of the exchange value of one object in terms of another, as requirements warrant and as the resources of the whole units combined will permit, having regard for the services to be rendered by each.' In order to do so, a readjustment of the whole Provincial fiscal system and their relations to the Federal system would be necessary by clearly defined modes of raising revenue, each Province to determine the method of taxation that would bring about the greatest benefits to its economic development and progress radiating around the Central Government without confusion or overlapping. It is, therefore, suggested that the subsidy system be now adjusted as between the different Provinces, as a nucleus of an interchange of values for the surrendering of the greatest source of our national revenue receipts, that of Customs and Excise, to the Federal Government."⁴⁰

Further representations were made in 1934 to the Dominion Government by British Columbia with a view to securing an impartial examination of the position of British Columbia in the Canadian Confederation. In a brief supporting this request the unequal position of British Columbia in the Confederation was pointed out. The disparity between the actual subsidies paid and the revenue from the Dominion customs and excise taxes which these subsidies were supposed to replace was emphasized. The Dominion Government was reminded of the agreement to appoint a Commission in 1913 which had fallen into abeyance during the War and which had not been revived. The loss to the Province through the original financial agreement was pointed out, also the inequality of the treatment of British Columbia in the matter of debt allowance as compared with the Prairie Provinces. Attention was drawn to the special treatment of Manitoba, Alberta, and Saskatchewan in the manner of return of public lands as compared with British Columbia. The annual subsidy of \$100,000 granted to British Columbia in 1871 as compensation for lands conveyed was merely a financial device to give a plausible excuse for making a special grant to British Columbia, which was considered necessary even by the Dominion Government at that time for the proper functioning of the Provincial Government. This is another instance of the results of the policy of the Dominion Government in applying methods of financial adjustment which had been necessary compromises at the time of the original Confederation but which later only served to confuse the real issues and real necessities of the Western Provinces. These early compromises were elevated and transformed into principles, and this camouflage has been continued even in the more recent adjustments, and the failure to recognize the real needs of British Columbia has continued.

Representations were again made to the Dominion Government in 1935, and a Memorandum respecting the claims of British Columbia for better terms was prepared in further support of the request for an independent investigation of the position of the Province. The request was still further pressed in 1936, and the unequal position of British Columbia in the Confederation was again emphasized in a Memorandum stating the Province's claim for a readjustment of the Terms of Union. British Columbia was not granted a separate enquiry

(40) *op. cit.*, page 25.

but was assured that any statement of the Province's case for special consideration would be heard by this Royal Commission. It is desired to emphasize that in appearing before this Commission, British Columbia is not in the same position as the other Provinces of Canada; that British Columbia has not in the past received equality of treatment with the other Provinces in the matter of

- (a) original subsidy arrangements
- (b) subsequent readjustment of subsidies
- (c) conveyance of public land to the Dominion for purpose of railroad construction
- (d) subsequent reconveyance of this land to the Province

Consequently, when it is suggested that modifications be made in the Dominion-Provincial financial relations, a preliminary special readjustment would have to be made in the case of British Columbia in order to bring it into line with the other Provinces of Canada before a general readjustment, which would be fair and equitable to the Province of British Columbia, could be made. For example, it has been proposed that the existing subsidies be capitalized and applied to a reduction in the Provincial debt. Should such a policy be decided, British Columbia would be placed in an unfair position unless the subsidies to this Province were previously increased. The justice and equity of the claims of British Columbia in this respect have already been recognized. The Dominion Government in 1925 increased the subsidies to the Province by the amount of \$750,000 annually. This was looked upon merely as an interim increase until such a time as the whole position of the Province in the Confederation could be examined and equitable financial arrangements determined.

While there has been no general revision in the subsidy payments to all the Canadian Provinces since 1907, with the exception of the grant *per capita* which was provided for in the British North America Act of 1907, and which has been increased following each decennial census, several other increases have been made in the sums paid to individual provinces. Only those affecting British Columbia will be mentioned here.⁴¹

In 1930 the administration of the Resources of the Peace River Block and the Railway Debt were returned to the Province of British Columbia, but the Annual Dominion compensation for the "lands conveyed" was continued, (\$160,000).⁴² The unreality of the original relation between this payment and the conveyance of land must be kept in mind.

Following representations made by the Government of British Columbia to the Dominion Cabinet in 1934, an "interim payment or subsidy" amounting to \$750,000 annually has been paid to the Province for the fiscal years 1934-1935 to 1936-1937 inclusive.⁴³ Since July 20, 1870, when British Columbia became a member Province of the Dominion of Canada, to the end of the fiscal year 1936-1937, a total sum of \$32,327,352.20 has been paid to the Province in direct subsidies. Included in this sum is \$1,933,753.80 for interest on the "excess debt" allowance: two grants, one in the form of a subsidy of \$6,700,000 and another on a *per capita* basis of \$12,813,598.40 for "the support of the government and

(41) The increased subsidies paid to Nova Scotia and New Brunswick following the report of the White, Duncan, and Jones' Commissions and the subsidies paid on the return of the natural resources to Alberta and Saskatchewan are beyond the scope of this report.

(42) Canada, Statutes, 1930, Chapter 73.

(43) Canada, Auditor-General, Department of Finance, Miscellaneous Grants, 1935-1936 inclusive. Votes 225 and 404—British Columbia \$750,000; Vote 298 British Columbia \$750,000.

legislature," and \$3,250,000 in special grants, of which \$1,000,000 was paid under authority of the British North America Act of 1907, and the remainder of \$2,250,000 has been paid since 1934 as "interim payments" pending a review of the position of British Columbia in the Canadian Confederation.⁴⁴

By the Terms of Union an annual subsidy of \$35,000, subsequently increased to \$190,000 and an annual grant *per capita* of \$48,000 which has been increased to \$555,410.40 in 1931-1932 was paid by the Dominion Parliament to the Government of the Province of British Columbia "for the support of its government and legislature."⁴⁵

The sum of these two grants for the support of government and legislature, amounts to \$745,410.40 annually from 1931-1932 to 1936-1937 (excluding the interim payment of 1934-1935 and later years) and would not pay any significant share of the cost of supporting the services which the British Columbia government undertook to provide by the Terms of Union of 1871.

The situation which has been emphasized by various delegations before the Dominion Government over a period of forty years has not altered. Over the period 1871 to 1936-1937 the total amount of all subsidies and unconditional grants to the Province by the Dominion Government amounted to \$32,327,352.20. In the same period ending March 31, 1936, the Dominion Government collected customs duties amounting to \$361,449,702, excise duties amounting to \$33,457,403, excise taxes amounting to \$83,573,722, and income taxes amounting to \$68,808,850, or a total of \$546,989,677. As has been pointed out, up to the end of the century all of this was paid by consumers in British Columbia. The small population of the Prairies for several years afterwards would give grounds for the opinion that for another decade at least a comparatively small amount of this was paid by consumers outside the Province; even at the present time the amount of goods re-exported from British Columbia would form a comparatively small part of the total and would be likely balanced by the goods consumed by citizens of British Columbia, and which are entered at ports in Canada outside of the Province. It may also be pointed out that in income tax alone the Dominion in the past year has collected approximately \$9,000,000 from this Province. A study of the economic position of British Columbia would indicate that this Province bears an unduly large share in the support of the Canadian Confederation. It is for this reason that British Columbia has requested in the past special consideration of her place in the Confederation, and continues to make this request.

(44) See Table 2.

(45) Great Britain, Order-in-Council, Windsor, May 16, 1871, section 3, "Terms of Union British Columbia and Canada."

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION.

PART III.

RESOURCES, WEALTH, *and* INCOME OF
THE PROVINCE OF BRITISH COLUMBIA.

PART III.

RESOURCES, WEALTH, AND INCOME OF THE PROVINCE OF BRITISH COLUMBIA.

British Columbia occupies an area of 366,255 square miles, or 234,403,200 acres, being equivalent in area to the United Kingdom, France, Holland, Belgium, and Denmark combined or, to make a comparison with the North American area, to the States of Washington, Oregon, and California.

In addition to cadastral land surveys, the Province has standard topographical surveys (two miles to one inch or better), made by various agencies of the Provincial and Dominion Governments, of 51,111 square miles or 13.96 per cent. of the total. Less complete surveys giving information with regard to topography, as well as forests, are available for an additional 143,320 square miles or 39.13 per cent. Geological surveys are available for about 60,000 square miles mapped on a scale four miles to the inch, for about 10,000 square miles on a scale two miles to the inch, for 8,000 square miles on a scale one mile to the inch, and 500 square miles on larger scales.

The total agricultural land in the Province, according to the report of the Dominion Bureau of Statistics, is about 20,700 square miles, or 14,248,000 acres, which is about 5 per cent. of the total area. This, according to a Provincial estimate, could be increased to about 20,756,820 acres if certain land now forested, and which could be used for agricultural purposes, is included.

In estimating the area of agricultural lands in British Columbia, heavily-timbered lands remote from populous centres, some lands of apparently good quality but far north, and immense areas of alpine meadows, such as would be used for grazing in Europe, have been excluded. The areas included are those where altitude, latitude, quality and moisture make tillage or long season grazing feasible under conditions likely to rule for the next generation or two. Such agricultural lands may be divided as follows:

(a) land suitable for range

(b) land suitable for tillage

Class (b) includes areas capable of producing reasonable crops under dry farming conditions and also lands actually irrigated, while Class (a) includes with the range land small appurtenant areas of productive land best suited for growing winter feed, as well as potential, but not actually irrigated lands.

The figures given are based on estimates made by field officials of the Department of Agriculture of the Province, combined with estimates made by the engineers in charge of the Pacific Great Eastern Railway resources survey. This estimate shows the land suitable for range to be 16,515,908 acres, and land suitable for tillage to be 4,240,912 acres, making a total of 20,756,820 acres.

It is estimated that of the total area of the Province, 150,272,000 acres are barren, 74,995,200 are forested, 16,515,908 acres are suitable for pasture and grazing, 3,535,956 acres are arable but not cultivated, and 704,956 are arable and cultivated. The total area of farms is estimated at 3,542,000 acres segregated into 26,079 farms, reported occupied, and further divided into 25,557 rural and 522 urban farms, with a population of 100,244 and 2,123 persons respectively.

Table 7 gives information with regard to ownership of land in the Province, indicating that there is, in possession of the Crown, lands available under the "Taxation Act" and vacant lands surveyed, to the amount of 6,288,762 acres, and 177,707,809 acres of unsurveyed land. It can be seen that a comparatively small portion of the total area of the Province is suitable for agricultural purposes, for various reasons. Even of the fertile land much is unsuitable because of lack of moisture.

TABLE 7.

STATEMENT GIVING APPROXIMATE AREA OF LANDS ALIENATED, RESERVED AND UNDER APPLICATION.

Reference Sheet No.		Acreage Alienated or Under Application.	Acreage in the Crown.
1. (1)	Crown Granted	15,269,961	
1. (2)	Acreage alienated in the Railway Belt and Peace River Block	1,768,123	
		(approx. estimate)	
3. (3)	Indian Reserves	848,765	
1. (4)	E. & N. Railway Belt	2,110,054	
		(896,800 acres in Rly. Co., June 15, 1937)	
3. (5)	Dominion National Parks	1,097,600	
5. (6)	Provincial Parks	5,202,277	
4. (7)	Reserves, Forest, Game, Grazing, etc.	16,105,020	
2. (8)	Lands under application (purchase, lease, pre-emption, etc.)	5,273,070	
1. (9)	Lands re-purchased from C. & W. & B.C. Southern Railway Companies		4,035,286
1. (10)	Railway Quit Claims, 1932		95,134
4. (11)	Lands available under "Taxation Act"		1,727,881
7. (12)	Vacant surveyed lands		4,560,881
7. (13)	Vacant unsurveyed lands		177,707,809
	Total	47,669,870	188,126,991
			(vacant crown lands)
	Deduct reverted and re-purchased lands	5,858,301	
	Total of acreage alienated or under application	41,811,569	41,811,569
	Land Area		229,938,560
	Freshwater Area		4,464,640
	Total area of Province		234,403,200
	Lands disposed of by Crown Grant or Statute—Totals 36,537,335 acres (obtained by adding items 1 to 7 and deducting items 9 to 11).		
8. (14)	Land Settlement Board: The holdings registered in the name of the Land Settlement Board total approximately 60,000 acres. These lands were taken over from the Crown, acquired by purchase from private owners or held as security by mortgage for agricultural loans issued to settlers.		

TABLE 8.
POPULATION, TENURE, AND CONDITION OF FARM LAND BY CENSUS DIVISIONS, BRITISH COLUMBIA, 1931.

Census Divisions.	RURAL POPULATION.			OCCUPIERS OF LAND.				AREA OF OCCUPIED LAND.			Improved Land.		
	Total.	On Farms.	Not on Farms.	Total.	(1) Owners.	Tenants.	Part-Owners, Part-Tenants.	Total.	Owued.	Rented.	Total.	(2) Under Crops.	Full Crops.
Division One	No.	No.	No.	No.	No.	No.	No.	Acres.	Acres.	Acres.	Acres.	Acres.	Acres.
" Two	16,767	3,067	13,700	822	734	74	14	157,980	141,589	16,391	23,255	16,705	1,550
" Three	19,308	10,662	8,646	2,137	1,797	256	84	132,146	105,292	26,854	33,904	26,194	7,710
" Four (3)	28,918	15,846	13,072	4,161	3,241	578	342	467,712	384,085	83,627	116,224	91,700	24,524
" Five	99,869	32,441	67,428	8,608	7,062	1,031	515	316,472	252,208	64,264	172,813	109,171	63,642
" Six	65,172	14,743	50,429	4,061	3,392	455	214	282,012	230,202	51,810	56,880	32,799	24,081
" Seven	21,732	10,855	10,877	2,712	2,138	263	311	1,266,943	945,978	320,965	128,975	99,209	29,766
" Eight	12,658	971	11,687	256	238	12	6	28,251	24,870	3,381	2,912	1,015	1,897
" Nine	16,701	7,683	9,018	2,047	1,783	94	170	568,102	496,243	71,859	92,026	70,203	21,823
" Ten	11,386	491	10,895	160	139	9	12	18,803	18,021	782	2,166	1,130	1,036
" Ten	7,013	3,485	3,528	1,115	861	81	173	303,120	230,759	72,361	75,801	56,956	18,845
British Columbia	299,524	100,244	199,280	26,079	21,385	2,853	1,841	3,541,541	2,829,247	712,294	704,956	505,082	41,874

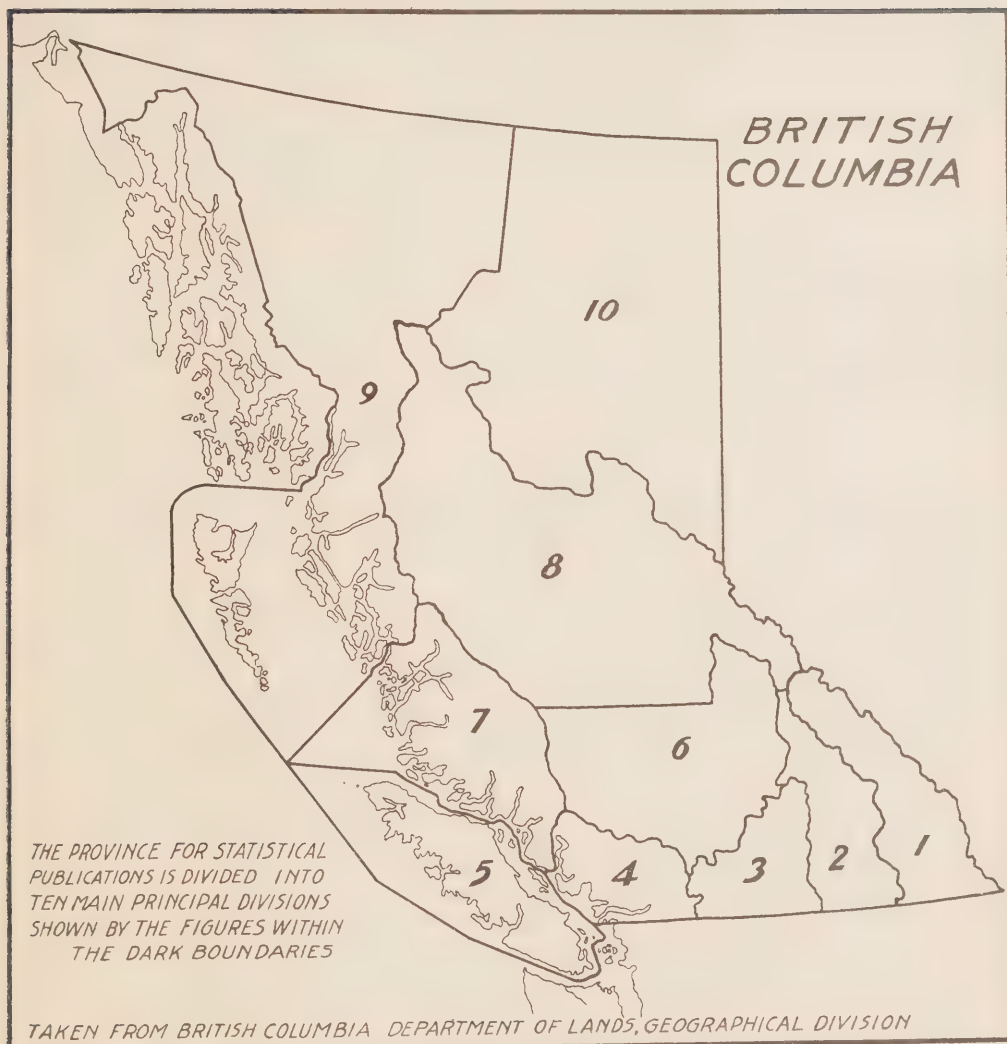
(1) Includes managers.

(2) Includes field crops, market gardens, orchards, vineyards and small fruits.

(3) University Endowment area is included for agricultural purposes.

SOURCE: Canada, Dominion Bureau of Statistics, Census of Agriculture—British Columbia, Seventh Census of Canada, 1931.

MAP SHOWING CENSUS DIVISIONS.



IRRIGATION.

In the Province of British Columbia there are great differences in precipitation, ranging from 263.87 inches taken over a period of 14 years at Henderson Lake, to an average of 6.90 inches taken over a period of 22 years at Ashcroft. With regard to irrigation it may be said that in general those portions of the Province where the annual precipitation is less than from sixteen to twenty inches, irrigation is always desirable and generally necessary. The following Table, showing the mean annual precipitation at certain points where agriculture is now carried on, and the mean during the four months when vegetable growth demands the greatest amount of moisture, indicates that at widely-separated points the natural conditions require to be supplemented by irrigation.

Place.	Average Rainfall during Four Summer Months.	Average Yearly Rainfall.
Victoria	2.86	27.66
Vancouver	8.76	59.06
Agassiz (Lower Fraser)	13.56	68.78
Quesnel (Upper Fraser)	6.25	14.78
Kamloops (Thompson Valley)	4.58	10.25
Summerland (Okanagan Valley)	4.53	11.04
Grand Forks (Kettle Valley)	5.95	16.25
Nelson (Kootenay Valley)	8.46	27.03
Invermere (Columbia Valley)	5.85	12.14

The best estimate available of the area now under irrigation in the Province is about 70,000 acres. This is, at best, an approximation, as the areas under individual operations are widely scattered, and the data in respect of them are far from complete.

While it is indicated from the authority given in the water licences issued by the Province that upwards of 500,000 acres of land are capable of being irrigated, it is probable that only a portion of this area will eventually be irrigated unless some more accessible water is made available.

A consideration of the topographical features of British Columbia will indicate the difficulties encountered in irrigation. The valleys are very narrow and are occupied generally by rivers which meander from side to side and expand into lakes that occupy the valley floors where broad stretches of moderately level lands might be expected. The irrigable lands are so disposed that it has not been possible to make direct diversion from the lakes for any considerable area of land along the rivers below them. The arable lands about the lakes depend, therefore, for water upon the lateral streams or upon pumping. The latter in general is often restricted by the elevation of the lands and frequently by the absence of cheap power. Owing to the great range in river stages in the interior, the larger areas of lower lands along them are in greater need of drainage than of irrigation, while the bench lands that border the rivers are in most cases too high to permit of direct diversion to them. As a consequence these lands also depend for irrigation upon the waters of lateral streams. The only instances of gravity diversion from the larger rivers so far for any appreciable area is for the Southern Okanagan project. The East Kootenay valley extending from Canal Flats northward along the Columbia to Golden and southward along the Kootenay to the International Boundary, the

valley of the Fraser from Quesnel south, and of the South Thompson, afford striking confirmation of some of the above statements.

The rapid run-off of the lateral streams demands that storage shall be provided to supplement the period of low flow. Here again Nature has been adverse in that she has allowed of few opportunities of storage between the summit country, in which the streams have their sources, and the valley levels. Small lakes and basin-like depressions, and meadows are to be found at or near the heads of many of the streams, but their value as storage reservoirs is more frequently limited by the relatively small catchment areas above them, than by the unsuitable nature of the sites at which they may be dammed. The spring run-off from the lateral streams in the Dry Belt would provide water for the irrigation of many times our present area were it possible to find suitable and adequate storage.

The extremely rugged topography of much of the country bordering the streams and the generally broken and rolling nature of the irrigable lands have furnished the physical difficulties to be overcome and have added greatly to the cost.

The pioneers and promoters of the earlier irrigation enterprises went boldly forward with optimism and energy, but apparently without a due appreciation of many of the factors in the problem, such as: a proper knowledge of the available water-supply from the streams; the wide seasonal variations in stream-flow, and the amount of storage necessary; the increasing requirement of water for maturing orchards and the losses in conveyance and distribution in earth ditches and wooden flumes; the relatively short life of many of the temporary structures forming considerable parts of the works or the costs of maintenance and operation. The works were generally constructed of wood and were of a temporary nature; and the low costs of labour and materials allowed of the works being constructed as cheaply as possible. All things considered, the materials and types of construction generally were the most appropriate for the time and stage of development. The failure of many of the enterprises was not attributable alone to the factors mentioned, but in some measure to other contributing causes. Had the enterprising pioneers of corporate irrigation undertakings in this Province foreseen all the conditions, there would have been fewer failures, but irrigation agriculture in British Columbia would to-day be far behind its present development.

Financial difficulties arose, and appeals for assistance were made to the Provincial Government. Legislation in 1917 provided drastic methods of dealing with cases where a company failed to carry out necessary works, under the provisions of which authority was given for an order by the Lieutenant-Governor in Council declaring the appurtenancy of the works to the lands they were intended to serve. This authority has been invoked only in two instances.

A more beneficent piece of legislation was that of 1918 which made provision for the creation of a Conservation Fund to be administered by the Lieutenant-Governor in Council on the recommendation of the Minister of Lands, from which necessary financial assistance might be given in approved cases, either by direct expenditure or by way of loan.

To the districts organized to administer irrigation systems, the Province has advanced to date by way of loan approximately $3\frac{1}{2}$ million dollars. Interest has charged at the rate of 6 per cent. per annum. In 1930 the indebtedness of principal and interest was reduced by \$930,962.79 and in 1933 a further

reduction of principal of \$1,465,516.51 was made, leaving the then indebtedness at \$1,499,431.92 on which interest at a rate of 4½ per cent. is being charged. The total relief given therefore, has been \$2,396,479.30, and in spite of this several of the districts are experiencing difficulty in meeting the repayments requested.

The cost of irrigation in British Columbia will limit the possibility of extending established agricultural land by this method unless costs can be reduced. Even with lower costs the area of irrigable land would be limited to comparatively small benches.

WATER POWER.

Among the great agencies that contribute to the development of the modern state, cheap power stands in the front rank. Abundant resources of water power that may be cheaply developed add largely to the natural wealth and to the industrial opportunities of a new country. British Columbia is possessed in large measure of this important factor.

DEVELOPED WATER POWER.

The development of water power commenced in 1848 when the Hudson's Bay Company constructed a small sawmill on Esquimalt Harbour. By the year 1900 about 10,000 H.P. had been installed and in 1910 this had increased to about 70,000 with a further increase to 300,000 by 1920. In the next decade, a further 300,000 H.P. was installed and at present the data compiled by the Dominion Government quotes a figure as at 31st December, 1936, of 718,922 H.P. Of the latter figure 547,060 H.P. is installed in central electric stations, 105,950 H.P. in pulp and paper mills and 65,912 H.P. in other industries.

Of the 547,060 H.P. installed in central stations nearly 50 per cent. is utilized in and around the cities of Vancouver and New Westminster, while over 40,000 H.P. is developed for use in and around Victoria. The remaining portion of this total is used in the smaller towns.

In the matter of the use of electrical energy generated from water for industries, by far the largest user in the Province is the Consolidated Mining and Smelting Company at Tadanac, where the energy is supplied by the West Kootenay Power and Light Company, Limited, from its four plants on the Kootenay River where the aggregate turbine installation is 226,000 H.P. The larger portion of the energy generated is utilized for electrolytic refining of copper, lead, zinc and the manufacture of fertilizers. The power company is commencing the installation of a 90,000 H.P. plant on this same river at Brilliant, and when completed the whole of the utilizable water power on the Kootenay River from Kootenay Lake to the Columbia River will have been harnessed.

A large portion of the electrical energy generated from water power by the East Kootenay Power Company, Limited, on the Elk River is utilized at Kimberley for the concentration of lead and zinc ores by the Consolidated Mining and Smelting Company.

Water power is used extensively for the manufacture of wood pulp and paper, notably at Powell River where 70,000 H.P. is used and at Ocean Falls where 26,850 H.P. is installed.

UNDEVELOPED WATER POWER.

The water power resources of the Province, as indicated in the Dominion Government publications are estimated at 1,930,000 H.P. minimum and 5,100,000 H.P. for six months. The full opportunities are, however, not reflected in the above-mentioned figures, as these are, in most cases, based on the unregulated flow of streams and rivers and take no account of numerous natural opportunities of storage, concentration of flow of several streams and so forth, which would undoubtedly make possible the development of power very considerably in excess of the sum of the powers available on the individual streams. The Water Rights Branch of the Provincial Government estimates that the possibilities exist for developments totalling between six and eight million horsepower.

The wide variations of topography and climate consequent upon the existence of three mountain ranges in the Province produce power opportunities ranging from the low and medium to heads exceeding 2,000 feet. The principal high head sites are to be found in the coastal region and Vancouver Island, where considerable elevations and high precipitation (exceeding 200 inches per annum) are conditions favourable thereto. The largest low to medium head sites are to be found on the larger rivers—Fraser, Columbia, Kootenay, Pend d'Oreille, Nass, Bulkley and others.

As a part of the activities for several years past, the Provincial Government has made reconnaissance and preliminary investigations of the power reaches of a number of streams and it is intended to extend this line of work as funds accrue from the rentals which are charged for the use of the water powers. These studies are preliminary only and seek to present one of the several possible development layouts of which each site is capable, and to furnish to investors or engineers sufficient data to permit forming a judgment as to whether the stream in question would be suitable for their prospective use.

The Dominion Water Power Branch, as a part of its work, is carrying out gauging operations on a great number of streams and publishing the data in the form of a report annually.

Attention should be called to the large potential water power which the studies have indicated is available by utilizing the waters of the Fraser River. The larger of these are:

Lillooet site	} on the main Fraser River	370,000	H.P.
Moran site		1,540,000	"
Soda Creek site		340,000	"
Chilko-Taseko Rivers to Bute Inlet		1,100,000	"
Eutsuk Lake to Kimsquit River, Dean Channel		800,000	"
Tahtsa Lake to Kemano River, Gardner Canal		800,000	"
Bridge River		600,000	"
Quesnel River		100,000	"

The Skeena River, the Nass River and other large streams with their tributaries also present a number of possible power sites.

Technical data are available on many of the sites as a result of the surveys and studies already made.

Until the last decade a large water power possibility to be attractive had to be capable of progressive development to keep pace with a demand increasing at a moderate rate. Within the last few years a number of projects in various

parts of the world with initial developments in the hundreds of thousands of horsepower have been begun. This tendency serves to draw attention to other schemes which have not been considered feasible because of the initial capital outlay involved. The power potentialities in the Fraser River drainage system in British Columbia are in this class and it is quite possible in view of the use to which the large water powers in Quebec have been put for electro-metallurgical and electro-chemical purposes that the water powers referred to above could be utilized for a similar purpose.

Their location is such that with our present means of transmission of electrical energy several of them are not economically feasible for use in our centres of population, but for industrial purposes their location ensures that their use would not cause inconvenience to the general public in these centres.

FOREST RESOURCES.

The forest resources of the Province are extremely important from an economic point of view. The forest area occupies approximately 75,000,000 acres, and this area consists of timber, some of which is accessible and some inaccessible. The accessibility or usability of the forest resources varies in relation to a number of factors, such as market price, transportation costs, labour costs, distance from tide-water, physical availability, etc. The ultimate boundaries of the accessible forest area in this Province are settled not only by physical conditions in the forests but by the competitive conditions in the forest areas in other parts of the world.

The only part of the immense forest resources of the Province of British Columbia which have any real significance is that which can be commercially utilized. The domestic market is limited; consequently, British Columbia is dependent on world markets for the sale of about 80 per cent. of its forest products. In 1935 the value of forest products amounted to \$56,941,000,¹ of which \$44,695,413 was exported.² Our forest areas are at a considerable distance from the great consuming centres. Regardless of the absolute quantity of timber in the Province of British Columbia the only timber which we can make use of is that which can be got out at a cost which is comparable to that in other forest areas. At the present time we are selling lumber from trees averaging from two hundred to three hundred years in growth. It is only the fact that nature has provided us with this resource at no cost of production that we are able to compete at all in the markets of the world. Were it necessary for us to cultivate our forests, as is the case in European countries, the cost of production would be so great as to make it impossible for us to enter world markets. In other words, so far as our forest industries are concerned, we are harvesting a crop which has been grown for several hundred years and which, once harvested, can never be replaced. It will take from one hundred to one hundred and twenty-five years to grow a merchantable crop of trees on the areas now being denuded, and even then these trees would not be comparable—for the production of lumber products—with the trees now being used. An appreciation of this fact is of very great importance in studying the economic basis of British Columbia in the future.

(1) British Columbia, Department of Lands, "Annual Report of the Forest Branch, 1935."

(2) British Columbia, Department of Labour, Economic Council, "The Trade of British Columbia, 1935."

British Columbia's forest industries are of extreme importance to the support of this community. Out of a total value of production in agriculture, fisheries, forests, and mines, of \$188,000,000 in 1936, \$72,000,000 came from the forest industries, \$54,000,000 from the mines, \$46,000,000 from agriculture, and \$16,000,000 from the fisheries. Further, of the 75,000,000 acres in this Province capable of growing trees, little could be productive in any other way. In other words, it can only grow trees, and if it does not grow trees, it becomes barren land. Thus, it can be seen that insofar as the forest industries are concerned, and the revenues which accrue to the people of this Province and to the Government through the exploitation of these resources, this revenue is not a true income but is the result of the sale of capital resources which, in the nature of things, can be replaced only in part. Because of the necessity for the use of these resources for the support of the community and the necessity of keeping the cost of production at a competitive level so as to sell British Columbia forest products in world markets, it has not been possible for the industry to support an adequate programme of forest conservation and development. Much has been done, and in the recent session of the Legislature, legislation was enacted to extend the policy of conservation; but even this must be admitted to be inadequate for the preservation of the forests as a permanent resource for the support of this community. Consequently, when the income of the people of British Columbia and the revenues of the Government from our forest industries are considered, it must be kept in mind that the income and revenue results from the exploitation of a resource which has been supplied by nature, which nature cannot readily replenish, and which, in the not-distant future, is likely to produce a decreasing income and revenue.

Because of the circumstances above referred to, many of our cut-over forest areas are not reproducing satisfactorily. On the basis of the present cut the Douglas fir resources, which are now accessible, are likely to be exhausted in from twelve to fifteen years. The value of our other accessible forest resources in the future will depend to a large extent on the development of an increasing demand for other types of lumber, such as hemlock and cedar. Of the 75,000,000 acres of forest land, 23,000,000 carry mature timber, 32,000,000 carry immature timber, and 20,000,000 acres are not reforested. A recent examination of the Vancouver Forest District, which includes Vancouver Island and the Lower Mainland and, in fact, includes the greater part of the really large timber areas of the Province, indicates that at least fifty per cent. of the cut-over area is not reforesting properly. It might be said by those not familiar with the situation that this is merely the result of an inadequate policy on the part of the Provincial Government. An examination of the situation would reveal that in the matter of a conservation policy the Provincial Government has done all that was possible, when all the factors including cost of production and marketing are taken into consideration. It would have been easy to evolve an ideal forest policy, but that policy would have increased costs of production and, as stated above, the competitive conditions of the market made this impossible. This situation with regard to one of the main resources of this Province cannot be too strongly emphasized before this Commission.

Table 9 shows the Provincial forest inventory, giving the total merchantable timber and the accessible merchantable timber. Statistics of production of the principal saw-mills, shingle production, and pulp and paper production in this Province are given in Tables 10 and 11. Table 12 shows the total net

value of production of the forest industries in British Columbia, 1915 to 1936, including manufactured products. A study of this Table indicates the variable character of this industry from the market point of view. As stated above, 80 per cent. of our forest products are sold outside of Canada and in competition with other forest-producing areas. Even in the home market this industry receives protection only to a minor degree. Consequently, the income of the Province from this source is a very uncertain one, and it is open to all the influences of international disturbances.

TABLE 9.
PROVINCIAL FORESTRY INVENTORY.
MERCHANTABLE TIMBER OF BRITISH COLUMBIA.
(In millions of feet board-measure.)

Species.	TOTAL.			ACCESSIBLE.		
	Coast.	Interior.	Total.	Coast.	Interior.	Total.
Western hemlock.....	46,135	10,527	56,662	22,695	2,288	24,983
Spruce.....	9,949	40,273	50,222	6,205	11,426	17,631
Douglas fir.....	37,115	12,154	49,269	16,613	7,261	23,874
Western red cedar.....	40,553	8,451	49,004	20,491	4,106	24,597
Silver fir.....	17,580	13,904	31,484	8,396	2,260	10,656
Lodgepole pine.....	127	9,655	9,782	37	2,633	2,670
Yellow cedar.....	3,019	-----	3,019	1,398	-----	1,398
Larch.....	-----	2,122	2,122	-----	1,864	1,864
White pine.....	651	901	1,552	273	580	853
Yellow pine.....	-----	1,383	1,383	-----	1,212	1,212
Totals.....	155,129	99,370	254,499	76,108	33,630	109,738

SOURCE: British Columbia, Department of Lands, Forest Branch, "The Forest Resources of British Columbia, 1937," by F. D. Mulholland.

TABLE 10.
LUMBER AND SHINGLE PRODUCTION IN BRITISH COLUMBIA.

Year.	LUMBER PRODUCTION.		SHINGLE PRODUCTION.	
	M. Bd. Ft.	Dollars.	M.	Dollars.
1915.....	669,816	8,414,227	1,894,642	3,231,508
1916.....	875,907	12,932,711	2,009,798	4,019,197
1917.....	1,191,712	22,109,301	2,390,402	6,606,875
1918.....	1,157,636	28,351,207	2,162,184	6,641,174
1919.....	1,175,151	32,540,244	2,154,790	10,363,379
1920.....	1,443,270	54,394,069	2,135,837	11,190,999
1921.....	996,266	24,867,321	2,374,251	8,516,512
1922.....	1,157,854	27,571,142	1,826,329	8,120,921
1923.....	1,578,199	41,672,903	1,894,319	7,462,452
1924.....	1,594,253	37,293,956	2,537,142	8,605,005
1925.....	1,724,832	39,035,841	2,679,609	9,758,820
1926.....	2,103,295	44,250,051	2,846,696	9,159,813
1927.....	2,176,876	44,698,647	2,383,875	7,272,929
1928.....	2,290,527	47,440,358	2,399,499	8,850,774
1929.....	2,460,500	51,196,464	2,205,504	7,882,914
1930.....	1,928,598	35,418,442	1,507,153	4,186,029
1931.....	1,342,164	20,562,646	1,163,723	2,581,902
1932.....	934,373	11,908,638	1,532,806	2,962,488
1933.....	1,133,344	14,623,367	1,590,272	3,736,261
1934.....	1,464,632	21,383,822	(1) 1,531,529	3,634,390
1935.....	1,610,347	23,995,057	(1) 2,241,630	6,688,424

SOURCE: Canada, Dominion Bureau of Statistics, Census of Industry, "Lumber Industry."

(1) Given in squares; converted to thousands on basis of one square equals 800 shingles.

TABLE 11.
PULP AND PAPER PRODUCTION IN BRITISH COLUMBIA.
(In dollars.)

Year.	Production.	Year.	Production.
1923	15,018,000	1930	16,520,000
1924	13,938,000	1931	13,508,000
1925	14,466,000	1932	11,156,000
1926	16,315,000	1933	10,852,000
1927	18,505,000	1934	12,373,000
1928	16,755,000	1935	12,414,000
1929	14,400,000	1936	14,950,000

SOURCE: British Columbia, Department of Lands, "Annual Report of the Forest Branch."

TABLE 12.
NET VALUE OF FOREST PRODUCTION.
(In dollars.)

Year.	Total Value.	Year.	Total Value.
1915	29,150,000	1926	84,802,000
1916	35,528,000	1927	83,087,000
1917	48,300,469	1928	93,787,000
1918	54,162,523	1929	93,301,000
1919	70,285,094	1930	69,737,000
1920	92,628,807	1931	44,447,000
1921	64,970,000	1932	35,157,000
1922	59,477,000	1933	39,155,000
1923	86,674,000	1934	45,461,000
1924	80,702,000	1935	56,941,000
1925	81,941,000	1936	72,010,000

SOURCE: British Columbia, Department of Lands, "Annual Report of the Forest Branch."

Tables 24 and 37 show the relative importance of the forest industries in the Provincial economy.³ It is of vital importance that our forests and forest industries should be organized on a permanent basis in order to maintain a continuous export of forest products on the maximum scale.

"These industries now provide direct employment for 30,000 men. No other natural resource in the Province is capable of absorbing the labour of these men if they should be thrown out of work by reason of the dissipation of forest resources. Civilized life in British Columbia would become impossible for them and their dependents; probably most of them would be compelled to migrate to other lands, together with many others indirectly dependent upon this basic industry."⁴

In British Columbia the exploitation of natural reserves of timber that have taken centuries to accumulate, by persons leasing the land with little or no interest in the possibility of another crop one hundred years later, offers an example of the results of an enterprise in which immediate profit is the main motive. Mill towns flourish suddenly and die away as the surrounding region is denuded, and ghost towns and rural slums are left to mark what was once a seemingly prosperous village or town.

British Columbia is 9,000 miles away, by the Panama Canal, from the principal world markets of forest products. So far, although at a disadvantage as regards distance from the main market, British Columbia firms have largely

(3) See pages 57 and 69.

(4) British Columbia, Department of Lands, Forest Branch, "The Forest Resources of British Columbia, 1937," by F. D. Mulholland.

been able to overcome this obstacle, due to the quality and size of the timber exported. As the amount of marketable and accessible virgin growth decreases, the advantage of quality and size will become less, but the distance of British Columbia from Europe will remain the same.

Table 13 shows the forest classification of British Columbia on the basis of its condition. Of the 75,023,000 acres of productive forest land, 20,052,000 acres are not reforested, 32,315,000 acres are immature timber, and only 22,656,000 acres support mature commercial timber. Thus at the present time, a total of 54,971,000 acres is productive. All the timber on this area is not accessible, and Table 9 shows that less than one-half of British Columbia's timber is accessible, amounting to 109,738 million feet board-measure. This is the timber which is available under present conditions as a source of income for the people of this Province.

To preserve our forests as a source of income in the future so as to establish our forest industries on the basis of sustained yield would require a costly policy of conservation.

"In an ideally regulated forest the growing stock is in condition to produce a maximum annual yield; there are no decadent stands, everything is growing and the yield is harvested as fast as it matures. Only a small part of such a forest is composed of fully matured timber and the age classes are graded down from mature trees to seedlings."⁵

TABLE 13.
FOREST CLASSIFICATION OF BRITISH COLUMBIA.
(Acres.)

Classification.	Coast.	Interior.	Total.
<i>Capable of producing Commercial Timber.</i>			
Mature timber	7,880,000	14,776,000	22,656,000
Immature timber—			
Over 25 feet high, fully stocked	310,000	19,096,000	19,406,000
Under 25 feet high, fully stocked	490,000	5,472,000	5,962,000
Over 25 feet high, sparse	70,000	3,638,000	3,708,000
Under 25 feet high, sparse	383,000	2,856,000	3,239,000
Total immature timber	1,253,000	31,062,000	32,315,000
Not reforested—			
Logged	360,000	323,000	683,000
Logged and burned	330,000	241,000	571,000
Burned	228,000	18,579,000	18,798,000
Total not reforested	918,000	19,134,000	20,052,000
Total sites of productive quality	10,051,000	64,972,000	75,023,000
<i>Incapable of producing Commercial Timber.</i>			
Barren	16,902,000	48,844,000	65,746,000
Scrub-growth	12,515,000	69,766,000	82,281,000
Swamp and water	1,196,000	5,455,000	6,651,000
Total sites of non-productive quality	30,613,000	124,065,000	154,678,000
<i>Agriculture.</i>			
Cultivated	432,000	679,000	1,111,000
Open grass	63,000	3,528,000	3,591,000
Total agricultural	495,000	4,207,000	4,702,000
Total area of British Columbia	41,159,000	193,244,000	234,403,000

SOURCE: British Columbia, Department of Lands, Forest Branch, "Forest Resources of British Columbia, 1937," by F. D. Mulholland.

It is only on this basis that permanent communities can be supported, the trees being harvested as they mature just as crops in agriculture are grown and harvested, although over a shorter period of time. It is important to know what the sustained yield possibilities of British Columbia's forests are, for only through knowing the extent of these potentialities and comparing them with the actual rate at which logging is proceeding today can we ascertain whether or not we are impairing our forest capital.

Coast Douglas fir has always been a leading export type. It is now being cut from trees, two, three, or more centuries old at the rate of one and a half billion board feet a year. Only approximately 18 billion accessible board feet of this type remain, and there is an inadequate area of middle-aged fir. At the present rate of cut the industry will have to turn to other species 12 years from now. Fortunately there are large stocks of mature hemlock and cedar of excellent quality but when these are gone Coast industries will be dependent upon second-growth. Due to the inaccessibility of the interior reserves the Coast industries must largely stand or fall with the Coast forests.⁶

"If we have in mind a sustained yield of 100-year-old trees, the industries are already overcutting the accessible Coast forests by 100 per cent. and the inaccessible by 20 per cent. Even if we believe 60-year-old trees will be good enough for our children, we are overcutting the accessible areas by 40 per cent., though the cut can be increased up to 2,900 million feet if all the back areas can be reached."⁷

Table 14 and the following quotations are from a publication, soon to be released, written by Mr. F. D. Mulholland, head of the Forest Surveys and Working Plans Division of Forest Service of the Department of Lands, Province of British Columbia.

"*Sustained-yield Capacity of the Coast.*—Dividing the volume of merchantable timber by the number of years required to grow a merchantable second crop and adding the mean annual growth in immature stands already established is a simple means of estimating the sustained yield. The figures in columns (2) and (3) are based on present utilization standards. These limit the gross Coast production to 1,836 million feet total, or 1,032 million from accessible areas, on a sustained-yield basis. That is to say, depletion by logging and fire should not exceed these figures. In 1936 depletion was 2,700 million feet.

"But it is expected that a gradually increasing market for fabricated products, pulp and cellulose derivatives will be developed, and timber large enough for these purposes can be produced on an average site on the Coast in sixty years, yielding on fully stocked areas between 5,000 and 6,000 cubic feet per acre of small material (or 20,000 board-feet, B.C. log-scale, in trees over 10 inches D.B.H.). If it is assumed that such timber, produced by 60-year-old trees on the Coast will be merchantable as a chief product within the next half-century, then the old mature stocks can be utilized more quickly. The sustained annual yield capacity would thereby be increased by 1,050 million board-feet to a gross total of approximately 2,900 million feet in the Coast region, including for this estimate all the timber now considered inaccessible. Increase beyond that yield will depend upon closer utilization of the mature stands and reforestation of denuded areas.

"On the same assumption that 60-year-old trees will become merchantable within the next half-century, but without including any yield from areas now considered inaccessible, the sustained-yield capacity of the Coast would be increased by 500 million feet to a total of 1,500 million feet.

"It would seem that the Coast forests are being cut beyond their sustained-yield capacity, unless it can be increased by closer utilization in logging, more successful reforestation, protection of the immature stands, and replanting of areas denuded in the past as quickly as this can economically be done.

(6) *op. cit.*, page 49.

(7) *ibid.*

TABLE 14.
CAPACITY FOR SUSTAINED ANNUAL YIELD.
(Million feet board-measure.)

Region.	Standing Mature Timber.	Rotation Maturity Age of Second Crop (Years).	Col. Col. (2) ÷ (3)	Loss : Fire, Insect and Fungus Epi- demics.	Col. Col. (4) - (5)	Incre- ment in Im- mature Stands.	Net Annual Yield Capacity Col. (6) + Col. (7)	Actual Annual Cut.
(1)	(2)	(3)	(4)	(5)	= (6)	(7)	(8)	(9)
Coast—								
Total.....	155,129	100-120	1,535	10	1,525	275	1,800	.....
Accessible.....	76,108		761	9	752	245	997	2,190
Interior—								
Total.....	99,370	100-180	846	394	452	1,335	1,787	.....
Accessible.....	33,630		280	100	180	380	560	351
Whole Province—								
Total.....	254,499	100-180	2,381	404	1,977	1,610	3,587	.....
Accessible.....	109,738		1,041	109	932	625	1,557	2,541

Increment in mature stands is balanced by ordinary pathological loss due to overmaturity; column (5) includes average annual loss by fire and epidemic during the last ten years, 1927-1936, inclusive.

SOURCE: British Columbia, Department of Lands, Forest Branch, "Forest Resources of British Columbia, 1937," F. D. Mulholland, p. 51.

"Sustained-yield Capacity of the Interior.—In the Interior forests smaller trees are now utilized and growth is much slower than on the Coast. It is not expected that market conditions will make it possible to lower the maturity ages for merchantable crops, on which the calculations in the above table are based, for a long time to come; but closer utilization at maturity of the present immature stands has been counted upon in the estimates. The total average annual depletion in the Interior is below the accessible sustained-yield capacity by about 200 million feet, although some localities and species are being overcut. However, the fire-loss is so irregular that far more than the whole yield may be destroyed in any year, as it was in 1936, when 940 million feet of timber and an accumulated increment of 140 million feet in immature stands were destroyed."⁸

In Table 14 it is seen that the accessible timber on a sustained-yield basis in the Coast region is 997 million board feet, and in the Interior 560 million board feet, or a total of 1,557 million board feet annually, this is assuming rotation maturity of 100-120 and 100-180 years respectively. The average annual cut over a 10-year period has amounted to 2,541 million board feet. This means that, under present conditions, 38.7 per cent. of this annual income from our forests is really capital which is not being replenished.

It may, however, be argued that accessibility may increase; that is, that new methods of transportation may be used which would reduce costs, and smaller trees may be used. Assuming it would be possible to harvest and market trees sixty years old, this would increase the accessible yield of the Coast area to approximately 1,500 million board feet per year. Such a change would alter conditions in the Interior very little, so that even on this assumption the total accessible annual yield on a sustained basis cannot exceed under the most optimistic circumstances 2,000 million board feet annually. Economic limitations are as real as physical ones, and although areas may become accessible from an engineering

(8) *op. cit.*, pages 51, 53.

point of view, the cost may be too great to make such production profitable. It is not possible to forecast what changes may take place in conditions in the future with regard to markets, logging technique, tariffs, new uses for wood products, or substitution of other products; consequently, these reserves must be analyzed as conditions exist at the present time. The disastrous effect on our forest industries of an attempt to place our forests on a sustained-yield basis at the present time can be readily seen. A reduction in the cut from 2,541 million board feet to 1,557 million board feet would mean a reduction in employment not only in the forest industries themselves but in other industries and occupations which they support. It would mean a considerable reduction in the income of the people of the Province and in the revenues of the Government; in fact, such action would be in the nature of a major catastrophe.

"It would be unreasonable to attempt to restrict utilization of the forests to their capacity for accessible sustained yield of merely the quality of products which our industries and markets are taking today; to do so would mean a reduction of output from the past ten years' average of 2,541 million board feet, worth \$63,308,300 to 1,557 million board feet; but it would be reckless to exploit the accessible forest resources without limit, on the unproved belief that the next generation will not need the products of old-growth timber and that quickly-grown trees and forests now inaccessible will meet the demand."

Table 15 shows the annual cut, 1914 to 1936. The average cut for the ten-year period, 1927 to 1936, was 2,541,380 thousand board feet. In 1937 the cut was 3,241,916 thousand board feet.

The policy of setting aside certain areas as forest reserves has been adopted, and in all there are 39 such reserves in this Province. The original object in establishing these reserves was conservation so that a continuous production of timber might be secured from them. In some cases water-shed protection is a secondary object. Table 16 shows the condition of these areas.

It can be seen that, assuming the present average cut to continue, we are using capital in our forest industries which is not being restored to the extent of 38.7 per cent. of the annual cut, and even assuming an increase in accessibility and the use of less mature timber, we would still be using capital to the extent of 21.3 per cent. annually. Tables 24 and 25 show the proportion of the Provincial income and wealth due to our forest industries, the forests accounting directly for 10.34 per cent. of the income and 18.62 per cent. of the wealth. Part of the income from transportation and other services would also have its source in our forests.

The exploitation of British Columbia's forest resources is of great financial benefit to the Provincial Government as well as to the people of the region. Table 17 shows that over the ten-year period 1927 to 1936 the forest revenue was, on an average, \$3,138,224 each calendar year. Over this period the average cut in British Columbia was 2,541,380 M.B.M. Thus, as an approximate relationship, each thousand board feet of timber cut means \$1.23 revenue for the Provincial Government.

Any conservation measure on the part of the Provincial Government, attempting to limit the annual cut, would inevitably mean a reduction in the Forest Revenue. The sustained-yield of the accessible timber has been put at 1,557 million board feet per annum. Assuming the relationship of \$1.23 in receipts to the Government for every thousand board feet cut, the Forest Revenue would fall to \$1,915,110 annually, a reduction of \$1,223,114 from the

(9) *op. cit.*, page 56.

TABLE 15.
ANNUAL CUT, SHOWING LAND STATUS.
(Thousand feet board-measure.)

Year.	Timber Licences.	Timber Leases.	Hand- logger Licences.	Timber Sales.	Pre-emp- tions and Miscel- laneous.	Crown-granted.				Dominion Lands.	Total.
						To 1887.	1887-1906.	1906-1914.	1914 to Date.		
1914	211,191	163,525	—	33,061	46,062	220,617	227,823	257,669	—	—	932,125
1924	518,535	258,401	12,214	301,664	72,583	609,693	227,823	144,014	53,001	351,767	2,549,700
1925	530,864	342,344	10,542	315,669	60,664	615,471	281,323	166,208	44,851	362,736	2,611,267
1926	553,820	424,159	7,506	296,135	35,983	860,781	269,782	118,581	58,144	293,223	2,918,119
1927	555,430	383,306	5,195	291,506	28,844	905,839	249,715	74,138	52,916	296,154	2,853,763
1928	601,586	410,384	5,250	324,619	40,523	1,103,205	264,834	89,744	63,531	303,229	3,206,905
1929	575,188	374,329	5,913	383,376	25,118	1,223,710	287,184	99,438	59,210	312,678	3,346,144
1930	474,717	420,727	5,413	321,230	25,831	888,520	226,834	69,745	44,489	186,246	2,663,752
1931	283,983	386,585	4,939	238,646	35,331	647,262	165,876	41,868	31,120	112,744	1,948,404
1932	399,082	390,494	5,303	198,277	24,259	440,265	70,535	28,558	37,983	16,702	1,611,458
1933	506,072	329,649	8,366	160,558	25,328	692,183	116,367	25,297	27,923	6,838	1,898,581
1934	607,248	401,367	7,085	247,602	29,349	707,696	103,412	55,049	37,247	19,336	2,214,792
1935	749,517	549,473	5,324	269,382	28,073	817,442	109,307	71,557	40,561	8,652	2,649,288
1936	817,359	659,197	3,963	361,804	26,315	933,761	102,814	56,461	48,553	10,547	3,020,713
10-year average	559,018	430,611	5,675	279,709	28,902	835,928	169,688	61,191	44,353	126,313	2,541,380

SOURCE: British Columbia Dept. of Lands, Forest Branch, "Forest Resources of British Columbia, 1937," by F. D. Mulholland.

TABLE 16.
PROVINCIAL FORESTS IN BRITISH COLUMBIA.
COAST.

Name.	Total Area.	Mature Timber.	Immature Timber.	Forest Land not Restocked.	Mature Timber.	Present Capacity for Sustained Annual Yield (Accessible).	Present Capacity for Sustained Annual Yield (Total).	Actual Annual Utilization.
	Acres.	Acres.	Acres.	Acres.	M.B.M.	M.B.M.	M.B.M.	M.B.M.
Broughton.....	43,100	18,760	4,230	5,520	376,400	29,000	29,000	35,000
Gilford.....	111,940	54,790	3,120	6,490	1,485,900			
Harbledown.....	69,610	39,100	12,860	5,580	993,500			
Hardwicke.....	18,110	4,440	1,890	5,710	119,200	15,300	15,300	15,300
Sonora.....	38,620	12,330	9,530	1,970	344,900			
West Thurlow.....	19,440	1,010	9,990	660	27,900			
East Thurlow.....	25,460	2,810	9,120	700	75,000			
Redonda.....	42,620	12,090	3,720	4,500	181,100			
Nimpkish.....	887,000	334,530	33,930	30,470	10,891,500	81,000	108,500	54,500
Sayward.....	394,490	273,620	26,790	64,710	12,146,000	108,300	108,300	350,000
Douglas.....	445,540	100,530	2,560	22,900	2,560,000	25,600	26,300	45,000
Powell.....	434,660	83,060	55,860	45,650	2,958,900	42,500	44,000	5,000
Loughborough.....	598,430	160,560	35,770	51,760	4,084,800	40,700	43,400	105,000
Seechelt.....	774,420	107,160	58,040	25,040	3,314,900	41,400	49,000	29,000
Toba.....	763,910	77,270	33,720	19,180	2,199,800	25,000	30,800	30,500
Totals.....	4,667,350	1,282,060	301,130	290,840	41,759,800	408,800	454,600	669,300

INTERIOR.

	Acres.	Acres.	Acres.	Acres.	M.B.M.	M.B.M.	M.B.M.	M.B.M.
Aberdeen Mountain.....	75,800	21,970	48,140	-----	237,100	3,400	3,400	200
Babine.....	1,300,300	237,400	502,900	227,700	2,500,000	21,300	58,900	5,000
Barriere.....	340,400	85,400	118,200	33,820	683,500	12,100	15,000	900
Elk.....	1,552,900	159,720	271,080	186,830	1,676,800	17,200	18,000	8,500
Flathead.....	340,400	93,280	38,480	24,400	1,199,500	8,100	8,300	-----
Fly Hill.....	162,900	52,840	67,200	21,670	299,300	3,400	4,400	500
Grizzly Hills.....	379,600	87,920	186,640	-----	742,100	6,600	7,000	700
Inkaneep.....	205,300	46,900	88,790	-----	297,300	2,700	2,700	1,500
Kettle.....	808,200	87,820	333,330	141,400	465,000	4,000	9,400	500
Little White Mountain.....	186,000	46,700	109,000	-----	282,480	2,000	2,900	2,000
Larch Hills.....	32,600	9,890	19,200	2,670	94,700	4,200	4,200	200
Mount Ida.....	33,100	8,440	20,520	1,210	39,900			
Martin Mountain.....	56,400	22,490	22,800	5,360	90,100			
Momich.....	1,001,900	238,520	183,580	108,420	2,461,300	15,700	33,600	3,000
Monte Hills.....	222,920	56,500	110,950	24,790	223,090	2,600	2,600	2,000
Morice.....	579,880	82,550	140,160	114,720	782,800	16,000	21,300	-----
Nehalliston.....	707,300	195,100	227,900	150,900	1,766,000	4,100	35,000	200
Nicola.....	217,400	77,200	97,390	21,570	320,700	2,100	2,100	500
Niskonlith.....	286,100	114,700	99,900	54,400	988,700	8,400	8,400	4,000
Okanagan.....	634,400	218,640	286,850	23,760	1,219,000	4,400	5,300	2,400
Shuswap.....	230,900	89,460	63,850	19,250	935,700	13,400	13,400	500
Spallumcheen.....	480,100	169,700	161,500	14,900	1,732,500	24,000	23,900	5,000
Tranquille.....	188,800	71,940	73,820	26,590	396,400	2,900	5,900	-----
Yahk.....	624,700	158,890	296,430	36,000	1,598,900	24,000	24,000	54,000
Totals.....	10,648,300	2,433,970	3,568,610	1,245,360	21,032,870	203,600	315,700	93,600

SOURCE: British Columbia, Department of Lands, Forest Branch, "Forest Resources of British Columbia, 1937," F. D. Mulholland, pp. 140, 141.

average annual receipts realized over the ten-year period 1927-1936. Thus, conservation measures would mean not only extra expenditure by the Provincial Government but, in addition, reduced revenue.

TABLE 17.
RELATIONSHIP OF ANNUAL CUT TO PROVINCIAL GOVERNMENT REVENUE.
(1927-1936.)

Calendar Year.	Annual Cut (M.B.M.).	Revenue to Provincial Government. (1)	Yield per M.B.M.
1927	2,853,703	\$4,042,963	\$1.42
1928	3,206,905	3,933,397	1.23
1929	3,346,144	3,811,992	1.14
1930	2,663,752	3,425,348	1.29
1931	1,948,404	2,973,867	1.53
1932	1,611,458	2,330,658	1.45
1933	1,898,581	2,006,765	1.06
1934	2,214,792	2,521,340	1.14
1935	2,649,288	2,900,404	1.09
1936	3,020,773	3,435,503	1.14
Average	2,541,380	\$3,138,224	\$1.23

(1) Does not include Forest Protection Tax, which over the 10 year period 1928-1937 (fiscal years) averaged \$165,494.

SOURCE: British Columbia, Department of Lands, Forest Branch.

The above figures assume that any curtailment in the annual cut would be enforced proportionately throughout the Province. However, if most of the reduction was put into effect on Crown lands it is probable that the reduction in revenue would be proportionately more than the reduction in cut. Conversely, if the cut was for the most part reduced on private land, the loss in revenue would probably be less than proportionate to the reduced cut. Practical difficulties would probably force the Government to secure a reduced annual cut by reducing the cut on the Crown lands.

The additional cost of an adequate conservation policy to the Government must also be considered. Such a policy would require an adequate inventory of forest lands and forest resources, and a knowledge of the characteristics of each forest type. It would involve also an adequate programme of forest protection and forest research. The following is an estimate of the minimum expenditure annually which would be necessary for such a programme.

Summary.	Estimated Necessary Expenditure.
Inventory (surveys)	\$60,000
Research	20,000
Staff	410,000
Expense and Miscellaneous	200,000
Protection	1,000,000
Total	\$1,690,000

The forest revenue in recent years has amounted to a little more than \$3,000,000. The cost of a policy of conservation would continue regardless of the timber cut, that is, it would require to be a continuous expenditure.

The following Table (18) shows the sums expended by the Provincial Government for forestry services, over the ten-year period from 1927-1928 to 1936-1937.

TABLE 18.
GOVERNMENT FOREST EXPENDITURE.⁽¹⁾

Fiscal Years.		Fiscal Years.	
1927-28	\$997,108	1933-34 (2)	\$480,511
1928-29	1,056,221	1934-35	732,514
1929-30	1,445,787	1935-36	723,484
1930-31	1,518,880	1936-37	865,408
1931-32	1,256,748		
1932-33 (2)	499,908	Average (10 Years)	\$957,657

(1) Includes payment by the Provincial Government to the Forest Protection Fund.

(2) In 1932-33 and 1933-34 expenditures for Forest Protection were made from the Unemployment Relief Funds.

SOURCE: British Columbia, Department of Lands, Forest Branch, "The Forest Resources of British Columbia, 1937," by F. D. Mulholland.

This analysis of the exploitation of the forest resources of British Columbia indicates very clearly the difficult position in which the Government of the Province is placed in carrying out proper policies with regard to the development of the resources of the Province. The forest has been chosen for this analysis because it is only with regard to this that information is available on which such an analysis could be based. The situation in the forest industries is indicative of the problems which confront the Province in the development of all of its primary resources.

MINING.

Mining is the second of our industries in importance from the point of view of the value of production. Whereas the forests are a wastable asset, the mines are definitely a wasting asset, and once the ore is mined nothing is left. In this industry, again, approximately 85 per cent. of the products must be sold on world markets in competition with other producing areas. In 1935, out of a total production of \$48,757,690,¹⁰ \$41,315,887 was exported.¹¹

Considerable mining activity in British Columbia has resulted in recent years from the increased price of gold. This has made it profitable to re-open properties which it was impossible to operate on the basis of the former lower price. In this connection it must be kept in mind that for twenty-five years there has been no major discovery of gold deposits in this Province. This is not to say that there are no undiscovered major deposits in existence; there are large parts of the Province regarding which comparatively little is known. On the basis of the present rate of surveys it will be many years before a geological survey of these areas is completed.

The development of the mining industry in this Province is a costly and difficult process. Consequently, with regard to our mining industry, it must be emphasized:

1. that it is based on a wasting asset, and consequently does not develop permanent communities and cannot be looked upon as a permanent source of support for this community;
2. that it is an industry exposed both to competition in world markets and to the effect of world conditions.

(10) British Columbia, Department of Mines, "Annual Report of the Minister of Mines."

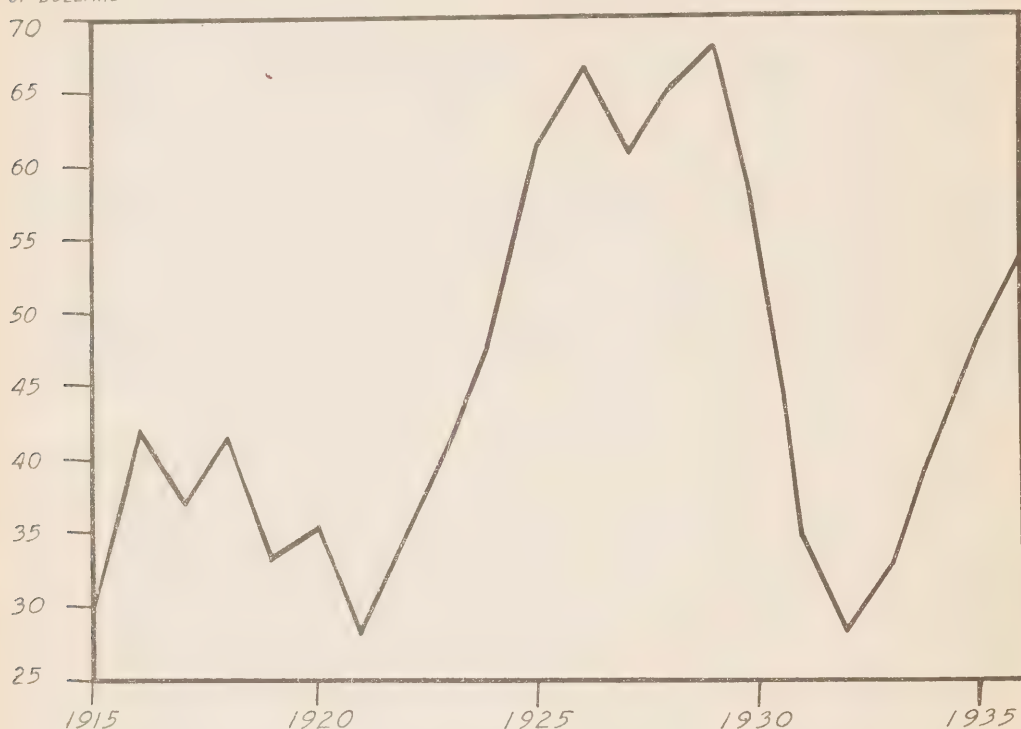
(11) British Columbia, Department of Labour, Economic Council, "The Trade of British Columbia, 1935."

An appreciation of this is vital in the setting-up of a future policy for this Province.

Table 19, showing the value of mineral production in British Columbia, 1915-1936, again shows the variable character of this industry from year to year. This is graphically illustrated in Chart 1.

CHART I

MILLIONS OF DOLLARS VALUE OF MINERAL PRODUCTION IN BRITISH COLUMBIA
1915 TO 1936



Nothing is known positively concerning the quantity or value of mining reserves in this Province, but one thing is certain: that the ore once mined is not replaceable, and that ultimately this source of income will disappear. Mining, like any other form of production, is dependent for its continued existence on the relation between the costs of production and the price that can be obtained on the market for the products. The market for most minerals is unstable; the price of gold has been artificially manipulated in recent years. Most mineral products have to cross international lines, and consequently are subject to international influences.

Therefore, the future potentialities of mining in British Columbia depend very largely on the use of new technique and stable prices. Here again it is impossible to forecast the future. While it is likely that the mining industry will constitute a source of income for this Province for some time to come, it is essentially a speculative source. This is important in considering the economy of British Columbia. Mining in 1933 accounted for 10.79 per cent. of the income of the Province and 15.33 per cent. of its wealth (see Tables 24 and 37). Here again other industries are supported and employment given indirectly by mining.

TABLE 19.

PRODUCTION IN QUANTITY AND VALUE OF PRODUCTS MINED IN BRITISH COLUMBIA.

Year.	I. PLACER GOLD. (1)		II. LODE GOLD.		SILVER.		COPPER.		LEAD.	
	Ounces.	Dollars.	Ounces.	Dollars.	Ounces.	Dollars.	Pounds.	Dollars.	Pounds.	Dollars.
1915	38,500	770,000	250,021	5,167,934	3,366,506	1,588,991	56,918,405	9,935,500	46,503,590	1,939,200
1916	29,025	580,500	221,932	4,587,334	3,301,923	1,059,739	65,379,364	17,784,494	48,727,516	3,007,462
1917	24,800	496,000	114,523	2,367,190	2,929,216	2,265,749	59,007,365	16,038,256	37,307,465	2,951,020
1918	16,000	320,000	164,674	3,403,812	3,498,172	3,215,870	61,483,754	15,143,449	43,899,661	2,928,107
1919	14,325	286,500	152,426	3,150,645	3,403,119	3,592,673	42,459,339	7,939,896	29,475,968	1,526,855
1920	11,080	221,600	120,048	2,481,392	3,377,849	3,235,980	44,887,676	7,832,899	39,331,218	2,816,115
1921	11,660	233,200	135,663	2,804,154	2,673,389	1,591,201	39,036,993	4,879,624	41,402,288	1,693,354
1922	18,240	364,800	197,856	4,089,684	7,101,311	4,554,781	32,359,896	4,329,754	67,447,985	3,480,316
1923	20,320	420,000	179,245	3,704,994	6,032,986	3,718,129	57,720,290	8,323,266	96,663,152	6,321,770
1924	21,037	420,750	247,716	5,120,535	8,341,768	5,292,184	64,845,393	8,442,870	170,384,481	12,415,917
1925	16,476	280,092	209,719	4,335,269	7,654,844	5,286,818	72,306,432	10,153,269	237,899,199	18,670,329
1926	20,912	355,503	201,427	4,163,859	10,748,556	6,675,606	89,339,768	12,324,421	263,023,937	17,757,535
1927	9,191	156,247	178,001	3,679,601	10,470,185	5,902,043	89,202,871	11,525,011	282,996,423	14,874,292
1928	8,424	143,208	188,087	3,888,097	10,627,167	6,182,461	97,908,316	14,265,242	305,140,792	13,961,412
1929	6,983	118,711	145,339	3,004,419	9,918,800	5,256,270	101,483,857	18,375,682	302,346,268	15,269,696
1930	8,955	152,235	160,778	3,323,576	11,289,171	4,307,270	90,421,545	11,738,525	319,199,752	12,535,931
1931	17,176	291,992	146,039	3,018,894	7,524,320	2,247,514	63,194,299	5,289,363	248,783,508	6,742,282
1932	20,400	(2) 395,542	181,564	(2) 4,261,307	7,130,838	2,258,453	49,841,009	3,179,596	254,488,952	5,378,878
1933	23,928	(2) 562,787	223,529	(2) 6,392,929	7,006,406	2,650,720	42,608,002	3,176,341	271,606,071	6,495,731
1934	25,181	(2) 714,431	297,130	(2) 10,250,985	8,572,916	4,068,792	48,084,658	3,567,401	347,366,967	8,461,859
1935	30,929	(2) 895,058	365,244	(2) 12,852,936	9,251,544	5,994,075	38,791,127	3,023,768	344,268,444	10,785,930
1936	43,389	(2) 1,249,940	404,472	(2) 14,168,654	9,521,015	4,296,548	20,806,672	1,971,848	377,971,618	14,790,029

Year.	ZINC.		COAL.		COKE.		STRUCTURAL.		MISCEL- LANEOUS.		TOTAL.
	Pounds.	Dollars.	Long Tons.	Dollars.	Long Tons.	Dollars.	Dollars.	Dollars.	Dollars.		
1915	12,982,440	1,460,524	1,611,129	5,638,952	245,871	1,475,226	1,571,181	26,720	29,447,508		
1916	37,163,980	4,043,985	2,034,093	7,294,325	267,725	1,606,350	1,299,553	37,029	42,290,462		
1917	41,848,513	3,166,259	2,149,975	7,524,913	159,905	959,430	1,204,546	87,029	37,010,392		
1918	41,772,916	2,899,040	2,302,245	11,511,225	188,967	1,222,609	980,891	97,311	41,732,474		
1919	56,737,651	3,540,429	2,267,541	11,337,705	91,133	637,966	1,148,485	135,159	33,296,313		
1920	47,208,268	3,077,979	2,595,125	12,975,625	67,792	474,544	2,176,460	250,490	35,543,084		
1921	49,419,372	1,952,065	2,483,995	12,419,975	59,434	416,038	1,903,799	173,231	28,066,641		
1922	57,146,548	2,777,322	2,511,843	12,559,215	15,865	32,845	2,535,225	148,206	25,132,145		
1923	58,343,462	3,278,903	2,453,223	12,266,115	58,919	412,433	2,809,292	49,418	41,304,820		
1924	79,130,970	4,266,741	1,939,526	9,697,630	30,615	214,305	2,810,580	23,992	48,704,604		
1925	98,257,099	7,754,450	2,328,522	11,642,610	75,185	526,295	2,680,072	163,038	61,492,242		
1926	142,876,947	10,586,610	(3) 2,062,823	(3) 10,311,615	(3) 177,269	(3) 1,437,666	3,342,545	332,533	67,287,943		
1927	145,225,443	8,996,135	(3) 2,213,218	(3) 10,978,875	(3) 152,362	(3) 1,101,401	2,867,380	459,514	60,539,999		
1928	181,763,147	9,984,613	(3) 2,339,017	(3) 11,692,842	(3) 127,292	(3) 881,253	3,408,686	905,354	65,313,168		
1929	172,096,841	9,268,792	(3) 2,035,751	(3) 10,207,569	(3) 119,909	(3) 1,000,451	3,921,768	1,773,845	68,197,203		
1930	250,287,306	9,010,093	(3) 1,686,141	(3) 8,432,966	(3) 135,079	(3) 1,089,722	4,092,568	796,145	55,479,031		
1931	205,071,247	5,237,520	(3) 1,538,868	(3) 6,759,876	(3) 127,520	(3) 995,557	3,553,300	818,161	34,954,459		
1932	192,120,091	4,621,641	(3) 1,399,468	(3) 5,813,212	(3) 92,078	(3) 701,410	1,698,839	480,146	28,232,596		
1933	195,963,751	6,291,416	(3) 1,168,839	(3) 4,821,019	(3) 57,914	(3) 473,017	1,024,045	633,532	32,521,537		
1934	247,926,844	7,546,893	(3) 1,220,834	(3) 5,078,966	(3) 71,792	(3) 565,832	1,017,141	952,662	42,226,962		
1935	256,239,446	7,940,860	(3) 1,073,864	(3) 4,554,372	(3) 78,663	(3) 430,943	1,238,717	1,041,031	48,757,690		
1936	254,581,393	8,439,373	(3) 1,234,123	(3) 5,285,907	(3) 74,002	(3) 330,630	1,796,677	1,646,396	53,976,002		

(1) Columns I. and II. contain the yearly production of placer and lode gold to date, as determined by returns sent in by the Gold Commissioners and Resident Engineers. To these yearly amounts one-third was added up to the year 1878; from then to 1895 and from 1898 to 1909, one-fifth; and since then one-tenth, which proportions are considered to represent, approximately, the amount of gold sold of which there is no record. This placer gold contains from ten to twenty-five per cent. silver, but the silver value has not been separated from the totals as it would be insignificant.

(2) Value of gold in Canadian Funds.

(3) Subsequent to 1925, coal figures were for the entire coal production, including coal made into coke. Consequently, the coke columns were blank. Prior to 1926 the figures are for net coal production. In order to make these last eleven years comparable with those which went before the amount and value of coal made into coke was subtracted from the coal columns, and the quantity and value of coke produced inserted in the coke columns. Since the values of these two items did not coincide, a change was necessary in the Total Column. For this reason the value of total production since 1925 will not tally exactly with the figures shown in the Annual Reports.

SOURCE: British Columbia, Department of Mines, Annual Report of the Minister of Mines.

AGRICULTURE.

Agriculture originated in this Province mainly as a subsidiary industry, and its position with regard to markets is different from that of any other of our industries, the domestic market being more important than the export market. The gross value of agricultural production in British Columbia in 1935 was \$42,419,992,¹² of which \$8,575,573 was sent out of the Province,¹³ and \$33,844,419 consumed in British Columbia.

The agricultural industry in British Columbia is also varied in character. Market gardening is important in the vicinities of large centres of population, such as Vancouver, Victoria, and New Westminster. Mixed farming and dairy farming are carried on in the Fraser Valley. Cattle-raising is carried on in the Cariboo; fruit-growing in the Okanagan and Creston valleys; wheat-growing on certain plateau areas; and mixed farming along the northern lines of the Canadian National Railways, and fruit-growing and mixed farming on Vancouver Island.

In many instances the farmer increases his income by engaging in other occupations, particularly in the winter season, such as logging, tie-cutting, etc. Farmers also depend to some extent on employment in road construction and other public works to increase their income. The fact is that in many cases the farmer is a farmer in name only, and a farmstead provides a place of abode and a certain amount of employment, but not a complete livelihood.

The significance of this was very clearly seen during the depression when large numbers of farmers were on relief. A segregation for earlier years is not available, but in March, 1936, there were on relief 3,172 farmers who were heads of families and 676 farmers who were single. The number of dependents was 10,766, giving a total of 14,614 individuals on relief. This number was reduced in March, 1937, to 2,119 farmers who were heads of families, 498 single men, and 6,300 dependents, giving a total of 8,917. In September, 1937, which would be the minimum period for the year, there were still 1,213 heads of families, 259 single individuals, and 4,072 dependents, or a total of 5,544 individuals on relief on the farms. During the early years of the depression, stagnation in the lumber industry limited employment, and the condition of government finances made it impossible to carry out proper road maintenance, and this source of income was also closed. Unable to maintain an existence on their "farms" these "farmers" were forced to look to the State for support.

In many instances agriculture arose as a subsidiary to mining or forest industries. When a mine closed or when a forest area was cut over these agricultural communities remained, now deprived of the market which had been the reason for their existence. These communities have been in the past, and still are, a problem for the Government of this Province.

The agricultural industry, as distinct from forestry and mining, tends to create permanent communities for which the full range of social services must be supplied. The colonization and settlement of this Province have resulted in very widely-scattered agricultural communities. To supply normal social

(12) British Columbia, Department of Agriculture, "Agricultural Statistics Report, 1935."

(13) British Columbia, Department of Labour, Economic Council, "The Trade of British Columbia, 1935."

services to these communities is a matter of great cost to the Government. As citizens of the Province they are entitled to equal treatment. The problem of removing these agriculturalists to more favourable areas is an extremely difficult one. Similar attempts elsewhere have been costly and have not met with marked success. Consequently, it will probably be found that the problem of the cost of scattered settlements in this Province will be with us for some time to come, if not permanently.

FISHERIES.

The fourth major industry of the Province, from the point of view of value of the products, is our fisheries. These consist of halibut, salmon, herring, pilchards, and a large number of minor products. The principal markets for our fish are the United Kingdom, Australia, France, and South Africa. Here again a large percentage of the product must be sold on world markets. In 1935 the total value of production was \$15,169,529,¹⁴ of which \$10,472,695 was exported.¹⁵

The fishery industries, like the forest industries, are based on a wastable asset. In the case of halibut and sockeye salmon wasteful methods of exploitation almost resulted in the extermination of these fish. The problem of conservation here was an international one, as the United States fisheries were in both cases interested in the same resources. The Halibut Treaty of 1927 with the United States has resulted in a policy of conservation of the halibut resources of the Northern Pacific, the effect of which is already seen in the improved catch. It would appear that the halibut industry has been placed on a permanent basis. However, more recently there have been serious threats to the continuance of this policy, both from Japanese and from British interests. Whether it will be possible to maintain a conservation policy with regard to halibut in the future remains to be seen. Should it be impossible, the existence of this valuable resource would be threatened.

With regard to the sockeye salmon of the Fraser River, recently a treaty has been signed between Canada and the United States which will ultimately make possible the development of a policy of conservation of this resource. As in the case of our forests, it must be emphasized that the continuance of our fisheries depends on a policy of conservation, seeing that they are based on a wastable asset. This being so, there is a limit to the exploitation of this resource at any one time if proper provision is made for the conservation of this resource for the future support of the community.

Table 20 shows the value of commercial fish caught and marketed 1915-1936. Here again the variable character of the industry must be noted. This variability is based not only on a variation in catch but on market conditions, owing to the exposed character of the industry.

Of interest in connection with our fishery industries is the situation with regard to pelagic sealing. This was an industry of some importance to the Province of British Columbia. From the information available it would appear that from 1877 to 1911 (when by international agreement the British Columbia industry was discontinued) the income to the people of this Province from this

(14) British Columbia Department of Fisheries, "Annual Report of the Commissioner of Fisheries."

(15) British Columbia, Department of Labour, Economic Council, "The Trade of British Columbia, 1935."

TABLE 20.

VALUE OF PRINCIPAL COMMERCIAL FISH CAUGHT AND MARKETED IN BRITISH COLUMBIA, 1915-1936.
(In dollars.)

Year.	Salmon.	Halibut.	Herring.	Pilchard.	Whale.	Cod.	Crabs and Shell Fish.	Shrimps.	Sole.	Clams.	Oysters.	Fish-oil.	Totals.
1915	10,726,818	1,972,290	1,009,708	—	94,619	300,049	12,331	6,400	25,983	78,130	20,165	12,363	14,538,320
1916	10,543,505	2,026,670	1,009,383	—	250,722	555,127	32,002	4,380	56,752	63,845	28,897	15,949	14,697,346
1917	16,828,783	1,721,012	1,192,654	11,810	342,247	888,092	48,424	—	78,640	84,000	32,202	23,892	21,518,595
1918	17,207,245	5,196,539	1,742,757	413,853	1,382,278	754,713	54,660	23,930	92,471	—	26,926	53,380	27,282,223
1919	17,537,166	4,617,484	1,109,870	371,871	648,868	525,329	55,102	17,828	90,848	47,754	38,659	35,097	25,319,429
1920	15,129,348	4,104,869	1,228,131	540,265	435,746	524,015	57,963	13,536	20,012	33,363	36,834	31,155	22,329,161
1921	8,577,602	3,036,076	963,047	101,945	—	385,863	46,889	13,066	20,174	41,390	21,136	7,110	13,953,670
1922	13,073,927	3,918,441	850,734	106,055	158,814	355,376	60,765	8,201	59,505	68,206	33,081	22,655	18,849,658
1923	11,936,668	6,271,993	1,338,450	92,036	332,781	357,107	61,482	26,004	28,757	87,216	27,228	64,696	20,795,914
1924	13,027,251	5,427,542	1,392,580	82,845	359,714	441,069	40,197	15,608	31,455	153,472	29,051	88,855	21,257,567
1925	14,973,885	3,891,819	1,717,985	182,911	309,608	396,976	50,605	23,331	36,404	161,764	23,107	313,055	22,414,618
1926	18,776,762	4,543,720	1,528,734	1,256,721	270,127	452,143	63,295	13,125	45,675	105,409	35,746	88,031	27,367,109
1927	14,253,803	3,467,904	1,867,429	1,838,867	241,488	548,338	68,477	16,592	82,180	102,244	32,258	138,180	23,264,342
1928	17,345,670	3,370,670	1,808,944	2,563,137	313,616	490,677	33,868	14,280	36,276	135,795	42,818	119,120	26,562,727
1929	14,265,795	4,317,235	1,486,655	2,199,831	387,049	566,378	45,447	26,579	46,217	120,143	57,008	122,513	23,930,692
1930	16,610,834	2,446,775	1,222,303	1,589,609	227,993	483,422	29,177	20,426	46,217	155,857	58,146	44,227	23,103,302
1931	7,195,220	1,373,679	1,058,139	807,842	—	293,369	27,914	15,778	23,372	111,690	61,247	62,648	11,108,873
1932	7,586,479	960,166	536,491	383,920	—	220,116	16,832	19,988	25,936	89,848	28,800	4,629	9,909,116
1933	9,184,090	1,391,941	738,522	77,464	—	262,868	34,206	19,609	27,737	52,699	25,670	13,783	12,001,471
1934	12,402,042	797,390	628,952	549,910	183,738	375,933	32,325	17,758	34,921	33,402	38,922	26,272	15,234,335
1935	12,009,275	860,349	580,031	670,328	105,360	458,761	44,525	25,492	30,808	61,886	41,609	23,744	15,169,529
1936	13,387,344	1,039,879	1,142,397	667,313	172,201	485,455	38,855	9,827	37,019	88,422	59,687	—	17,231,534

SOURCE: Dominion Bureau of Statistics, "Report on the Fisheries of Canada."

industry amounted to \$7,011,223, and at one time gave considerable employment. When the industry was discontinued claims for compensation were made by 1,605 persons. Of these 122 were granted, and the total amount of compensation paid was \$60,663.75. In addition to this, however, arrangements were made that future compensation should be made to the Dominion Government in connection with the withdrawal from this industry. This, since the agreement went into force, has amounted to \$1,378,004.36 which has been paid into the Dominion Treasury. The industry was essentially a British Columbia industry and the loss was directly to this Province.

TRAPPING.

Trapping is also a minor source of income in British Columbia. The following table shows the net value of production in trapping.¹⁶

1925.....	\$1,395,519	1930.....	\$771,899
1926.....	1,779,111	1931.....	586,169
1927.....	1,779,229	1932.....	492,839
1928.....	1,526,621	1933.....	583,225
1929.....	1,363,264	1934.....	871,663

This industry is in competition with fur farms now being operated, and many needs of the furriers are met by animals reared on these farms.

MANUFACTURING.

British Columbia is the third Province in the Dominion from the point of view of manufacturing industries, being led by Ontario and Quebec. However, the order of precedence is of little significance, British Columbia lagging far behind. The total net value of manufactured products in 1935 in Ontario was \$668,918,734, in Quebec \$393,805,691, and in British Columbia \$92,260,804. A study of these industries would show that a large part of production in the manufacturing industry in British Columbia is devoted to the production of partly-manufactured products rather than consumers' goods. This is true of a large part of the forest industries and also of manufacturing industries based on minerals, so that not only is British Columbia an insignificant third in the manufacturing industries, but those industries naturally are conditioned by the resources of the Province. Here again a large part of the manufactures must be sold on world markets, as they are largely of a character for which there is little consumption within Canada.

Table 21 shows the net value of production in the various industries of the Province as computed by the Dominion Bureau of Statistics.

Table 22 shows the total estimated value of products in British Columbia's four major industries as compiled by the Provincial Departments. These figures are compiled on a different basis and include the manufactured products in each industry, the total, however, showing net values, as duplications have been avoided as far as possible.

WEALTH.

The Dominion Bureau of Statistics since 1921 has made a periodical estimate of the wealth of the Dominion and also of the various Provinces. Strict accuracy is not claimed for this estimate in view of the statistical and economic difficulties involved. This estimate, as shown by Table 23, placed British Columbia in fourth position (relative to the other Provinces) in regard to total wealth, and first in regard to *per capita* wealth, in 1933. When the character

(16) Canada, Dominion Bureau of Statistics, Canada Year Book.

TABLE 21.

NET VALUE OF PRODUCTION IN BRITISH COLUMBIA PRIMARY AND SECONDARY INDUSTRIES
AS COMPUTED BY THE DOMINION BUREAU OF STATISTICS, 1920-1935.
(In dollars.)

Year.	Agriculture.	Forestry.	Fisheries.	Trapping.	Mining.	Electric Power.	Construction.	Custom and Repair.	Manufactures N.E.S.	Grand Total, (2)
1920.	40,786,730	86,843,654	22,320,161	687,417	39,411,728	6,874,168	15,581,447	6,186,750	10,311,250	229,138,933
1921	.....	.....	.....	.....	.....	.....	.....	.....	.....	198,941,272
1922	35,689,439	51,574,334	18,849,658	1,650,379	39,423,962	7,426,705	18,566,761	4,951,136	28,469,033	206,297,338
1923	37,397,083	68,754,794	20,795,914	1,161,399	43,757,383	6,271,552	16,724,139	4,877,874	32,286,881	232,279,711
1924	31,425,558	67,445,358	21,257,567	1,113,038	52,298,533	6,512,456	16,482,432	4,949,466	35,309,850	236,816,575
1925	34,121,430	73,753,202	22,414,618	1,395,519	64,485,242	7,356,703	16,639,050	5,197,000	99,948,855	261,575,060
1926	35,495,000	77,410,961	27,367,109	1,779,111	65,622,976	8,119,144	19,412,570	5,910,000	111,773,090	289,801,471
1927	39,759,000	76,865,324	22,890,913	1,779,229	60,801,170	9,596,949	27,169,564	6,377,000	120,676,215	291,140,286
1928	45,432,894	82,908,779	26,562,727	1,526,621	64,496,351	10,018,853	27,541,000	7,091,000	133,665,857	321,354,242
1929	39,111,382	86,888,253	23,930,692	1,363,264	68,162,878	10,305,402	35,170,816	9,245,000	132,286,208	331,466,014
1930	34,324,121	64,529,220	23,103,302	771,599	54,953,320	10,817,779	21,441,550	8,120,000	117,990,663	272,748,552
1931	27,328,000	39,050,429	11,108,873	586,169	35,480,701	10,693,004	19,307,665	6,478,000	93,800,922	194,944,923
1932	22,838,966	25,633,890	9,909,116	492,839	27,626,173	10,082,357	5,563,285	5,052,000	74,577,448	148,689,806
1933	25,501,095	29,493,363	12,001,471	583,225	41,794,504	9,892,781	5,992,610	4,901,745	75,193,257	157,740,138
1934	27,852,095	37,026,590	15,234,335	871,663	41,206,965	10,675,370	5,954,989	5,449,713	82,841,189	187,609,393
(1) 1935	25,093,120	48,294,950	15,190,254	2,600,593	29,350,250	11,230,651	7,735,062	6,091,285	92,260,804	193,152,796

(1) Dominion Bureau of Statistics, Survey of Production in Canada, 1935—YUKON included with British Columbia.

(2) Note that this total is the latest revised figure available, and may not be the sum of the individual items, as revised figures are not available except for the Fisheries and Mining. It should be noted also that after 1925 the whole amount of Manufactures is not included in the total as it includes an amount of duplication due to the inclusion of certain industries, such as saw-mills, ship-building, etc., in more than one place. This duplication amounts to:

1925	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1926	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1927	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1928	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1929	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1930	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1931	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1932	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1933	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1934	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1935	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

SOURCE: Canada, Dominion Bureau of Statistics, "The Canada Year Book."

of the wealth of British Columbia is examined it would appear that the method adopted tends to inflate the estimate in relation to other Provinces because of the importance of the inclusion of accessible timber.

Table 24 shows a total of the wealth of British Columbia as at the years 1925, 1929, and 1933, together with the percentage of each category to the total. Table 25 indicates the relative importance of the various industries to British Columbia from the point of view of income and wealth. It divides these industries on the basis of wasting and non-wasting assets.

TABLE 22.
TOTAL ESTIMATED VALUE OF PRODUCTION IN BRITISH COLUMBIA'S FOUR
MAJOR INDUSTRIES.
Calendar Years, 1921 to 1936, Inclusive.
(In dollars.)

Calendar Year.	Agriculture, Value of Products to the Farmer. (1)	Forest Indus- tries, Value of Production. (2)	Mining, Value of Production. (3)	Fisheries, Value of Com- mercial Fish Caught and Marketed. (4)	Estimated Total Value of Production. (5)
1921	43,527,586	64,970,000	28,066,641	13,953,670	150,517,897
1922	41,408,566	59,477,000	35,162,843	18,849,658	154,898,067
1923	44,496,600	86,674,000	41,304,320	20,795,914	193,270,834
1924	45,066,788	80,702,000	48,704,604	21,257,567	195,730,959
1925	48,951,514	81,941,000	61,492,242	22,414,618	214,799,874
1926	52,883,770	84,802,000	67,188,842	27,367,109	232,241,721
1927	53,265,915	83,087,000	60,729,358	22,890,913	219,973,186
1928	58,644,243	93,787,000	65,372,583	26,562,727	244,366,553
1929	62,632,890	93,301,000	68,245,443	23,930,692	248,110,025
1930	55,957,734	69,737,000	55,391,993	23,103,302	204,190,029
1931	40,107,635	44,447,000	34,883,181	11,108,873	130,546,689
1932	34,373,926	35,157,000	28,798,406 (1)	9,909,116	108,238,448
1933	36,647,007	39,155,000	32,602,672 (1)	12,001,471	120,406,150
1934	39,826,141	45,461,000	42,305,297 (1)	15,234,335	142,826,773
1935	42,419,992	56,941,000	48,821,239 (1)	15,169,529	163,351,760
1936	46,669,735	72,010,000	54,081,967 (1)	17,231,534	189,993,236

(1) Gold valued in Canadian Funds.
SOURCE: British Columbia, Department of Agriculture, "Agricultural Statistics Report," Calendar Year 1936, p. 13.
Ibid., Department of Lands, "Annual Report of the Forestry Branch," Calendar Years 1921 to 1936, inclusive.
Ibid., "Annual Report of the Minister of Mines, Part A," Calendar Year 1936, p. A-14.
Canada: Dominion Bureau of Statistics, "Fishery Statistics of Canada," Calendar Year 1935, p. 54.

TABLE 23.
PROVINCIAL WEALTH OF BRITISH COLUMBIA.

Year.	Provincial Wealth.	Comparison with Total Dominion Wealth.	Per Capita Wealth, British Columbia.	British Columbia's Comparative Position re Wealth.	British Columbia's Comparative Position re Per Capita Wealth.
	1.	2.	3.	4.	5.
1921	\$1,365,896,120	6.20%	\$2,604	6th	4th
1925	1,938,420,000	7.70%	3,539	5th	2nd
1927	2,309,000,000	8.35%	4,016	5th	1st
1928	2,547,000,000	8.80%	4,369	4th	1st
1929	2,756,844,000	8.81%	4,183	4th	1st
1933	2,430,890,000	9.43%	3,414	4th	1st

SOURCE: Canada, Dominion Bureau of Statistics, "The Canada Year Book."

TABLE 24.
THE PROVINCIAL WEALTH OF BRITISH COLUMBIA IN THE YEARS 1925, 1929, AND 1933.
(In thousands of dollars.)

Item.	Description.	1925.		1929.		1933.	
		Dollars.	Per Cent.	Dollars.	Per Cent.	Dollars.	Per Cent.
Agricultural Wealth	Value of land, buildings, implements, machinery, live stock and products in the possession of farmers and traders	220,608	11.12	252,482	9.16	192,720	7.93
Mines	Capital employed	107,258	5.41	170,575	6.19	129,665	5.34
Forests	Estimated value of accessible raw materials, pulpwood and capital invested in woods operations	358,461	18.07	497,847	18.06	452,588	18.62
Fisheries	Capital invested in boats, gear, etc., in primary operations	6,880	.34	13,795	.50	8,972	.37
Central Electric Stations	Capital invested in lands and buildings other than office buildings, and in equipment, materials	32,436	1.63	75,215	2.73	89,263	3.67
Manufactures	Machinery and tools, and estimate for capital in lands and buildings, duplication excluded	80,152	4.04	173,306	6.29	187,324	5.65
Manufactures	Materials on hand and stocks in process, duplication excluded	76,719	3.89	49,257	1.79	29,177	1.20
Construction	Custom and repair, estimate of capital invested in machinery and tools and materials on hand	6,057	.31	12,390	.45	3,067	.13
Trading Establishments	Estimate of the value of furniture and fixtures, equipment and material on hand	(1) 47,287	2.39	92,026	3.34	61,219	2.52
Steam railways	Investment in road and equipment	295,980	14.92	325,368	11.80	323,829	13.22
Electric railways	Investment in road and equipment	21,004	1.06	22,501	.82	23,418	.96
Telephones	Cost of property and equipment	14,523	.73	22,383	.81	27,438	1.13
Urban real property	Assessed and exempted valuations and estimate for under-valuation by assessors, and for roads, sewers, etc.	552,000	26.82	751,557	27.26	676,052	27.81
Canals	Amount expended on construction up to end of fiscal year commencing in calendar year enumerated above						
Harbours	Approximate amount expended up to end of fiscal year commencing in calendar year enumerated above						
Shipping (including Aircraft)	Estimate of value of automobiles registered	(2) 36,504	1.84	55,119	2.00	63,205	2.60
Automobiles .....	.....	38,900	1.96	55,517	2.01	28,814	1.18
Highways, etc. ....	.....			56,640	2.05	31,824	1.31
Household Furnishings, Clothing, etc.	Value estimated from production and trade statistics	73,000	3.63	83,146	3.01	77,796	3.20
Specie, coin and other currency	Value of such items held by the Government, chartered banks and the general public	15,700	.79	12,139	.44	62,084	2.55
Total Provincial Wealth		1,933,420	100.00	2,756,844	100.00	2,430,890	100.00

(1) Includes "imported" merchandise.

(2) Does not include aircraft.

(3) Includes figures for Yukon.

SOURCE: Canada, Dominion Bureau of Statistics. For Year 1925, Canada Year Book, 1927-28, p. 852; 1929 and 1933, Canada Year Book, 1936, pp. 882, 883.

TABLE 25.
THE PROVINCIAL INCOME AND WEALTH IN 1933.
(Classified as Wasting and Non-Wasting.) ⁽¹⁾

Industry.	PROVINCIAL INCOME.		PROVINCIAL WEALTH.	
	Value.	Percentage of Total.	Value.	Percentage of Total.
<i>Wasting Assets—</i>	(000)		(000)	
Forestry	\$29,493	10.34	\$452,588 (3)	18.62
Mining	30,795	10.79	129,665	5.33
Fisheries and Trapping	12,585	4.42	8,972 (4)	0.37
Sub-total	\$72,873	25.55	\$591,195	24.32
<i>Non-Wasting Assets—</i>				
Agriculture	25,503	8.94	192,720	7.93
Manufactures	75,193	26.36	166,501	6.85
Transport	29,583 (2)	10.37	439,266 (5)	18.07
Balance (Miscellaneous)	82,119	28.79	1,041,208	42.83
Sub-total	\$212,398	74.45	\$1,839,695	75.68
Total	\$285,271	100.00	\$2,430,890	100.00

(1) It should be remembered that the items designated "non-wasting" are associated with the "wasting" assets and can accordingly be expected to decline with them.

(2) Estimated on basis of Table 39 (includes communication).

(3) Includes estimated value of accessible forest reserves.

(4) Excludes trapping.

(5) Includes aircraft.

SOURCE: Provincial Wealth; Table 24.

Provincial Income: Table 37.

Agriculture is included under non-wasting assets, although in reality land is a wasteable asset, if not properly cultivated. However, in actual practice it differs from industries such as mining and forestry, which are based on wasteable assets, in that the farmer is not confined to a profit motive in his activity. The farmer is interested usually not only in making a profit on his operations but in establishing and maintaining a home and raising a family. For this reason his attitude to the farm differs from that of the logger to the forests. Further, the farmer raises and harvests an annual crop, and consequently any deterioration of the soil comes to his notice immediately. In the case of the forests, those harvesting the crops are not directly interested in the crop to follow. It is for this reason that agriculture has been included as based on a non-wasting asset.

From this study the precarious nature of the wealth and income of the Province of British Columbia can be seen. The mining resources, being utilized, cannot be replaced and the forest reserves are being depleted more rapidly than they are being reproduced. Policies are being inaugurated with a view to preserving the fisheries, and human relationships in agriculture tend to preserve this industry. In 1933, 25.55 per cent. of the income of the Province was derived from definitely wasting or wastable assets. If agriculture is included this will be increased to 34.49 per cent.¹⁷ The manufacturing industries, transportation, and the various other services rendered by the community which are included as income are directly dependent on these industries. Consequently, anything which affects the basic industries adversely, similarly affects the complete economy of the Province.

(17) See Table 25.

POPULATION.

In a pioneer and primary-producing area such as British Columbia, the principal—in fact, the only means of securing income for the support of the community—is the natural wealth available. The income from services rendered to other communities is comparatively unimportant.

Directly related to the available resources is the working population available for their exploitation and use. The total population of British Columbia, in the Census of 1931 (June 1) was 694,263, and in 1936 (December 31) the estimate was 780,789.¹⁸ The increase since 1931 is due to natural increase, immigration from foreign countries, and migration from other parts of Canada.

Table 26 indicates the natural increase, immigration from foreign countries, emigration to foreign countries, and estimated migration from Alberta, Saskatchewan, and Manitoba, together with the total estimated population in 1936.

TABLE 26.

THE ESTIMATED POPULATION OF BRITISH COLUMBIA AT DECEMBER 31, 1936.

(The Decennial Census figure of June 1, 1931, corrected for Natural Increase, Immigration,⁽¹⁾ Emigration,⁽²⁾ and Movement from the Prairie Provinces.)

Period.	Population (June 1, 1931).	Natural Increase.	Immigration from Foreign Countries.	Emigration to Foreign Countries (Estimated).	Immigration from Alberta, Saskatche- wan, and Manitoba (Estimated).	Estimated Population of British Columbia.
June 1, 1931 to Dec. 31, 1936.....	694,263 -----	----- 19,707	----- 9,101	----- 11,374	----- 69,092	----- 780,789

(1) Excludes Canadians returning to Canada after residing in the United States for at least one year, with intention of taking up permanent domicile in Canada.

(2) Excludes Americans returning to the United States after residing in Canada for at least one year, with the intention of taking up permanent domicile in the United States.

The character and quality of the population is important as well as its quantity. Table 27 shows the distribution of the population of the Province of British Columbia by origin as at various census years. The population of British Columbia is predominantly British and Northern European. Special mention should be made of the Oriental population which is shown in 1931 to consist of 27,139 Chinese, 22,205 Japanese, and 1,607 others. The different sex distribution of Chinese and Japanese residents in British Columbia makes an estimate for 1936 important.

ORIENTAL POPULATION.

Tables 28 and 29 show the character and composition of the Oriental population in British Columbia. It will be seen that during the ten-year period 1921–1931 the Japanese population of British Columbia increased from 15,006 to 22,205, or an increase of 7,199. Female Japanese have shown a larger proportionate increase to the total than males, being 3,927 or 55.9 per cent. of the total increase over the ten-year period. The ratio of the sexes in the Japanese population altered from 65.7 per cent. male and 34.3 per cent. female in 1921 to 58.7 per cent. male and 41.3 per cent. female in 1931.

(18) British Columbia, Department of Trade and Industry, Bureau of Economics and Statistics.

DISTRIBUTION OF THE POPULATION OF THE PROVINCE OF BRITISH COLUMBIA BY ORIGIN. DECENNIAL CENSUS
YEARS 1881 TO 1931, INCLUSIVE.⁽¹⁾

Origin.	1901.			1911.			1921.			1931.		
	Total No.	% of Total.	Total No.	% of Total.	Total No.	% of Total.	Total No.	% of Total.	Total No.	% of Total.	Total No.	% of Total.
Total Population	49,459	100.00	178,657	100.00	392,480	100.00	524,582	100.00	694,263	100.00	388,219	300,044
<i>British Races</i>	14,660	29.24	106,403	59.60	252,683	64.38	387,513	73.87	480,928	70.57	256,995	232,928
English	7,297	14.75	52,863	29.59	133,186	33.93	221,145	42.16	272,501	39.25	140,956	131,545
Irish	3,172	6.41	20,658	11.56	40,642	10.36	54,298	10.35	71,612	10.31	38,457	33,155
Scottish	3,892	7.87	31,068	17.39	74,493	18.98	104,965	20.01	135,038	19.45	71,565	63,473
Others	299	.61	1,814	1.02	4,362	1.11	7,105	1.35	10,772	1.55	6,017	4,755
<i>European Races</i>	2,764	5.59	21,531	12.05	66,231	16.88	72,246	13.77	127,246	18.33	76,766	51,480
German	858	1.73	8,507	3.25	11,880	3.27	7,273	1.39	16,986	2.45	9,469	7,517
Swedish	236(2)	.48	4,880(2)	2.78	15,968(2)	4.07	9,666	1.84	16,108	2.32	10,434	5,674
French	916	1.85	4,600	2.58	8,907	2.27	11,246	2.14	15,028	2.17	8,193	6,835
Norwegian	(2)	—	(2)	—	(2)	—	6,570	1.25	12,943	1.86	8,258	4,685
Italian	143	.29	1,976	1.11	9,721	2.48	8,587	1.64	12,254	1.77	7,256	4,998
Russian	48(3)	.09	—	—	4,038	1.03	7,373	1.41	10,398	1.50	5,579	4,819
Finnish	—	—	—	—	2,858	.73	3,112	.59	6,858	.99	4,311	2,547
Dutch	94	.19	437	.25	1,255	.32	3,306	.63	6,234	.90	3,369	2,865
Polish	(3)	—	—	—	561	.14	1,861	.26	4,599	.66	2,846	1,753
Danish	(2)	—	(2)	—	(2)	—	2,191	.42	3,945	.57	2,509	1,436
Others	469	.95	3,851	2.14	11,043	2.81	11,585	2.21	21,893	3.15	13,542	8,351
<i>Asiatic Races</i>	4,850	8.80	19,482	10.90	30,786	7.84	39,724	7.57	50,951	7.34	39,131	11,320
Chinese	4,850	8.80	14,855	8.33	19,568	4.99	23,533	4.49	27,139	3.91	24,900	2,239
Japanese	—	—	4,597	2.57	8,587	2.19	15,006	2.86	22,205	3.20	13,035	9,170
Others	—	—	—	—	—	—	—	—	1,607	.23	1,196	411
<i>Indian</i>	25,661	51.90	28,949	16.20	20,134	5.13	22,377	4.27	24,599	3.54	12,602	11,997
Various Unspecified	1,682	3.40	2,292	1.28	22,646	5.77	1,454	.27	915	.13	378	537

(3) Russian and Polish.

SOURCE: Census of Canada, Population by Origin, 1881, 1901, 1911, 1921, and 1931.

The Chinese population in 1921 was 23,533 and in 1931, 27,193, which shows that, although larger than the Japanese in 1921, registered a smaller net increase over the ten-year period showing an increase of only 3,606. The ratio of males to females altered only slightly being 92.7 per cent. males and 7.3 per cent. females in 1921, and 91.75 per cent. males and 8.3 per cent. females in 1931.

TABLE 28.
TOTAL JAPANESE AND CHINESE POPULATION OF BRITISH COLUMBIA
(BY SEXES) AS AT JUNE 1, 1921 AND 1931, AND DECEMBER 31, 1936.

Racial Origin.	TOTAL.		MALE.		FEMALE.	
	Number.	% of Total.	Number.	% of Total.	Number.	% of Total.
<i>Japanese.</i>						
1921	15,006	100.0	9,863	65.7	5,143	34.3
1931	22,205	100.0	13,035	58.7	9,170	41.3
Ten-year increase	7,199	100.0	3,172	44.1	3,927	55.9
1936 (estimated) (1)	25,886	100.0	14,652	56.7	11,234	43.3
Five-year increase	3,681	100.0	1,617	43.9	2,064	56.1
<i>Chinese.</i>						
1921	23,533	100.0	21,820	92.7	1,713	7.3
1931	27,139	100.0	24,900	91.7	2,239	8.3
Ten-year increase	3,606	100.0	3,080	85.4	526	14.6
1936 (estimated) (1)	21,740	100.0	19,215	87.4	2,525	12.6
Five-year increase or decrease	5,399	100.0	5,685	105.3	286	5.3

(1) See Table 30.

SOURCE: Canada, Dominion Bureau of Statistics, Sixth Census of Canada, Vol. 2; Seventh Census of Canada, Vol. 4
British Columbia, Department of Trade and Industry, Bureau of Economics and Statistics.

TABLE 29.
THE CONCENTRATION OF ORIENTAL (JAPANESE AND CHINESE) POPULATION
OF CANADA IN BRITISH COLUMBIA, CENSUS YEARS 1921 AND 1931.

Racial Origin.	CANADA.		BRITISH COLUMBIA.	
	No.	% of Total.	No.	% of Total.
1921—				
Japanese	15,868	100.0	15,006	94.6
Chinese	39,587	100.0	23,533	59.5
1931—				
Japanese	23,342	100.0	22,205	91.1
Chinese	46,519	100.0	27,139	58.3

SOURCE: Census of Canada, 1921, Volume II.; 1931, Volume IV.

Table 29 shows the proportion of the total Oriental population of Canada resident in British Columbia. It indicates that in 1931, 91.1 per cent. of the Japanese and 58.3 per cent. of the Chinese population were domiciled in British Columbia. An estimate has been made of the changes in the character of the Oriental population in British Columbia from 1931 to 1936 inclusive (Table 30). This has been based on the registration of births and deaths and statistics of immigration and emigration. (See Table 31.) This study reveals that the Japanese population of British Columbia has increased during this period from

TABLE 30.

AN ESTIMATE OF THE TOTAL MALE AND FEMALE ORIENTAL (CHINESE AND JAPANESE) POPULATION OF
BRITISH COLUMBIA, CALENDAR YEARS 1931 TO 1936, INCLUSIVE.

Year (Calendar).	JAPANESE.						CHINESE.					
	Total.			Female.			Total.			Male.		
	No.	% of Total.	No.	No.	% of Total.	% of Total.	No.	% of Total.	No.	% of Total.	No.	% of Total.
1931 (June 1)	22,205	100.0		9,170	41.3	100.0	27,139	100.0	24,900	91.7	2,239	8.3
1931	22,877	100.0		9,545	41.7		26,724	100.0	24,451	91.5	2,273	8.5
1932	23,501	100.0		9,933	42.1		26,365	100.0	24,020	91.1	2,345	8.9
1932	24,169	100.0		10,229	42.4		25,931	100.0	23,550	90.8	2,381	9.2
1934	24,844	100.0		10,605	42.7		24,766	100.0	22,321	90.1	2,445	9.9
1935	25,413	100.0		10,949	43.1		23,226	100.0	20,733	89.3	2,493	10.7
1936	25,886	100.0		11,234	43.3		21,740	100.0	19,215	87.4	2,525	12.6

TOTAL CHINESE AND JAPANESE POPULATION OF BRITISH COLUMBIA FOR THE CALENDAR YEARS 1931 TO 1936.											
Calendar Years.	TOTAL.			JAPANESE.			CHINESE.				
	% of Total.		No.	% of Total.		No.	% of Total.		No.	% of Total.	
	No.	% of Total.		No.	% of Total.		No.	% of Total.		No.	% of Total.
1931 (June 1)	49,344	100.0		22,205	45.0		27,139	55.0			
1931	49,601	100.0		22,877	46.1		26,724	53.9			
1932	49,956	100.0		23,591	47.2		23,365	52.8			
1933	50,100	100.0		24,169	48.2		25,931	51.8			
1934	49,610	100.0		24,844	50.5		24,766	49.5			
1935	48,639	100.0		25,413	52.2		23,226	47.8			
1936	47,628	100.0		25,886	54.4		21,740	45.6			

NOTE.—No sex distribution of emigration from British Columbia of Japanese and Chinese for the years 1931 to 1936 was available. The entire emigration was Chinese and as males represented 90% or more of Chinese population in Canada, it was assumed that the whole Chinese emigration was male.

TABLE 31.

AN ESTIMATE OF THE CHINESE AND JAPANESE POPULATION OF BRITISH COLUMBIA, CALENDAR YEARS 1931-36, INCLUSIVE. (CENSUS FIGURES OF 1931 ADJUSTED FOR BIRTHS, DEATHS, IMMIGRATION AND EMIGRATION TO FOREIGN COUNTRIES.)

Nationality.	IMMIGRATION. (1)			BIRTHS.			DEATHS.			EMIGRATION.					Estimated Population (Adjusted for Natural Increase, Immigration and Emigration).				
	Total.	Male.	Female.	Total.	Male.	Female.	Total.	Male.	Female.	Under Certificate to Return.	Both Sexes.	Without Certificate.	Deportations. (6)	Not Returning within Allowed Period. (5)				Both Sexes.	Both Sexes.
<i>Chinese</i>																			
1931 (3)	.....	.....	.....	(3) 88	43	45	109	98	11	(3) 2,068	125	37	232	394	27,139 (2)	24,900	2,239
1932	.....	.....	.....	162	75	87	207	192	15	3,436	241	73	.....	314	26,724	24,451	2,273
1933	.....	.....	.....	132	73	59	197	174	23	2,011	198	55	118	371	26,365	24,020	2,345
1934	2	2	.....	151	76	75	180	169	11	1,948	199	57	880	1,136	25,931	23,550	2,381	
1935	.....	.....	.....	128	60	68	222	202	20	1,994	235	39	1,172	1,446	24,766	22,321	2,445
1936	1	1	.....	109	59	50	216	198	18	1,887	246	18	1,116	1,380	23,226	20,733	2,493	
Totals	3	3	.....	770	386	384	1,131	1,033	98	13,344	1,244	279	3,518	5,041	21,740	19,215	2,525	
<i>Japanese</i>																			
1931 (3)	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	22,205 (2)	13,035	9,170
1932	94	41	53	671	314	357	93	58	35	.....	.....	.....	.....	.....	22,877	13,332	9,545
1933	110	41	69	760	380	380	156	95	61	.....	.....	.....	.....	.....	23,591	13,658	9,933
1934	102	56	46	668	339	329	176	107	69	.....	.....	16	.....	16	24,169	13,930	10,239
1935	91	48	43	780	397	383	182	122	60	.....	.....	14	.....	14	24,844	14,239	10,605
1936	82	31	51	643	287	356	150	87	63	.....	.....	6	.....	6	25,413	14,464	10,949
1936	101	39	62	528	263	265	141	99	42	.....	.....	15	.....	15	25,886	14,652	11,234
Totals	580	256	324	4,050	1,980	2,090	893	568	330	.....	.....	51	.....	51	.....	.....	.....

(1) Immigration: Annual Report of the Department of Immigration and Colonization "Sex of Immigrants" by provinces of destination. These figures are for the fiscal years ending March 31, 1931 to 1936. The same figures are used for the calendar years 1930 to 1936.

(2) From the Census of 1931; taken as of June 1st.

(3) Assumed one-half of the immigration, births and deaths, departures and emigration in 1931 occurred during the last seven months of the year.

(4) It is assumed all the Chinese emigrants from Canada are male. (Population of Chinese in Canada over 90% male.) Similarly the small emigration of Japanese is assumed to be male.

(5) Departures not returning within allowable period. 1931 to 1934 are for the fiscal years ending March 31, 1932 to 1935, inclusive, and was obtained from F. W. Taylor, Controller of Chinese Immigration. 1935 and 1936 are for the fiscal years ending March 31, 1936 and 1937. Annual Report of the Department of Immigration and Colonization, 1935-36.

(6) Deportations: Those resident in the Province of British Columbia and deported therefrom. Source: Annual Report of the Department of Immigration and Colonization, 1930-31 to 1935-36.

(7) Departures under these headings are for Chinese leaving Canada through the ports of Vancouver and Victoria, who may come from all parts of Canada. Births and Deaths: Report of Deputy Registrar of Births, Deaths, and Marriages in the Province of British Columbia, 1931 to 1936, inclusive.

22,205 to 25,886, as at December 31, 1936. Over the same period the Chinese population has decreased from 27,139 to 21,740. The ratio of male to female Japanese has altered from 58.7 per cent. male and 41.3 per cent. female to 56.7 per cent. male and 43.3 per cent. female, as at December 31, 1936. An estimate of the Chinese in British Columbia also reveals an increase in the female members of that race from 8.3 per cent. in 1931 to 12.6 per cent. in 1936. The Japanese population in British Columbia has increased from 45 per cent. of the total Oriental population in 1931 to 54.4 per cent. of the total at December 31, 1936.

The decrease in the preponderance of male Chinese has been due to a large extent in recent years to emigration.

MIGRATION FROM PRAIRIE PROVINCES.

To estimate immigration from the Prairie Provinces to British Columbia has been extremely difficult. A study of the census figures of June 1, 1931, to June 1, 1936, for the Prairie Provinces would indicate that there was a net movement from these Provinces to other parts of Canada during the five-year period of 94,501 (Table 33).⁽¹⁾ An examination of the conditions of this movement would indicate that probably 60 per cent. of this number came to British Columbia, and 40 per cent. moved to other parts of Canada. This would mean an addition to the population of British Columbia from this source of 56,700.

TABLE 32.

THE RURAL AND URBAN POPULATION OF BRITISH COLUMBIA, DECENNIAL CENSUS YEARS 1871 TO 1931, INCLUSIVE.⁽¹⁾

Census Year.	Total Population.	Percentage Increase by Decades.	RURAL.		URBAN.	
			No.	% of Total.	No.	% of Total.
1871	36,247	.....	.....	.....	.....	.....
1881	49,459	36.45	.....	.....	.....	.....
1891	98,173	98.49	60,945	62.08	37,228	37.92
1901	178,657	81.98	88,478	49.52	90,179	50.48
1911	392,480	119.68	188,796	48.10	203,684	51.90
1921	524,582	83.66	277,020	52.81	247,562	47.19
1931	694,263	32.35	299,524	43.14	394,739	56.86

(1) Urban and Rural Population: In census compilations previous to 1931 the population is divided into two main classes, urban and rural, with urban including all residents of incorporated cities, towns, and villages, irrespective of the size, and the remaining population as rural. District municipalities are not included as urban.

SOURCES: Census of Canada, 1891 to 1931, inclusive.

In order to estimate the movement from the Prairie Provinces to British Columbia since the census date, June 1, 1936, information has been secured with regard to the number of motor vehicles previously registered in the Prairie Provinces and which have been re-registered in British Columbia since that time, which shows from June 1 to December 31, 1936, 150 from Manitoba, 596 from Saskatchewan, and 700 from Alberta. From January 1, 1936, to November 30, 1937, the number of first registrations from these Provinces was 291 from Manitoba, 1,035 from Saskatchewan, and 1,061 from Alberta.

(19) Census figure of June 1, 1931, for Manitoba, Saskatchewan, and Alberta corrected for natural increase, immigration from foreign countries and emigration to foreign countries up to June 1, 1931, less actual population of these Provinces at June 1, 1936, gives emigration to other Canadian Provinces.

TABLE 33.

EMIGRATION FROM SASKATCHEWAN, ALBERTA, AND MANITOBA, FROM JUNE 1st, 1931, TO JUNE 1st, 1936, INCLUSIVE, TO OTHER CANADIAN PROVINCES.

(Census of 1931 figure corrected for natural increase and immigration and emigration to foreign countries.)

	Alberta.	Saskatchewan.	Manitoba.	Prairie Provinces.
Population increase (National and Immigration) (1)	61,952	74,616	44,721	181,289
Emigration to foreign countries (2)	7,903	9,955	7,568	25,426
Net increase (3)	54,049	64,661	37,153	155,863
Population June 1, 1931 (census) (4)	731,605	921,785	700,139	2,353,529
Population June 1, 1936 (without allowance for inter-provincial movement) (computed) (5)	785,654	986,446	737,292	2,509,392
Population June 1, 1936 (census) (6)	772,782	930,893	711,216	2,414,891
Emigration to other Canadian Provinces	12,872	55,553	26,076	94,501

(1) Excess of births over deaths and immigration from foreign countries (excluding returning Canadians from U.S.A.), June 1, 1931, to June 1, 1936.

(2) Emigration to Great Britain and United States, five years, June 1, 1931, to June 1, 1936 (excluding American citizens changing their permanent domicile from Canada to the United States).

(3) Natural increase and immigration from foreign countries less emigration to countries outside of Canada.

(4) Decennial Census figure for June 1, 1931.

(5) Population June 1, 1931, plus natural increase and excess of immigration over emigration to foreign countries, for five-year period ending June 1, 1936. Sum of columns (3) and (4).

(6) Quinquennial Census, June 1, 1936. Dominion Bureau of Statistics.

Thus, from June 1, 1936, to November 30, 1937, the total number of car re-registrations from the Prairie Provinces was 3,833. There is no record of the actual number of occupants of these cars, but it is reasonable to assume an average of five. On the basis of this assumption the total number reporting to British Columbia by this means would be approximately 19,000. The average number of persons per car operating in the three Prairie Provinces would probably be about eight. The movement of that part of the population not owning cars would probably be less, but it is not unreasonable to assume that 8,000 would move by rail. Thus, it is likely that somewhere in the neighbourhood of 27,000 persons moved from the Prairies to British Columbia since the last Prairie Census. By adding to this the number calculated to have migrated between the 1931 and 1936 census amounting to 56,700 it is estimated that the total migration to British Columbia since 1931 has been approximately 83,700.

While this is a crude estimate, it is not unlikely that it gives a reasonable picture of the actual movement of people from the Prairie Provinces into British Columbia since 1931.

AGE AND EMPLOYMENT DISTRIBUTION.

Table 34 shows a percentage distribution of the population by age groups for the decennial census years 1881 to 1931, inclusive. A comparison of these figures shows clearly the influence on this distribution of the large immigration to British Columbia in the earlier years of the present century, and reveals in 1931 an increasing proportion of the population over 45 years of age. Table 32 gives the distribution of population in rural and urban²⁰ centres in the census years 1891 to 1931, inclusive, which shows that since 1891 the urban population of British Columbia has increased from 37.92 per cent. of the total to 56.86 per cent. of the total; and rural population has declined from 62.08

(20) The classification "urban" used by the Dominion Bureau of Statistics does not include the population of district municipalities amounting to 124,381 in 1931, and which are often urban in character.

TABLE 34.

PER CENT. DISTRIBUTION OF THE POPULATION BY AGE GROUPS FOR THE PROVINCE OF BRITISH COLUMBIA, DECENNIAL CENSUS YEARS 1881 TO 1931, INCLUSIVE.

Census Year.	All Ages.	AGE GROUPS.							
		0-4 Yrs.	5-9 Yrs.	10-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25-29 Yrs.	30-34 Yrs.	35-39 Yrs.
1881	100.0	11.17	11.06	8.71	7.36	8.07	9.77	8.56	8.84
1891	100.0	10.16	8.47	7.28	7.41	11.44	13.22	10.80	8.41
1901	100.0	9.37	9.14	7.31	7.26	10.17	11.69	11.46	10.15
1911	100.0	9.24	7.57	6.53	7.02	11.37	13.84	11.96	9.28
1921	100.0	9.51	10.36	8.65	7.19	6.86	7.74	9.20	10.06
1931	100.0	7.50	8.54	8.64	9.00	8.05	7.43	6.92	7.30

Census Year.	AGE GROUPS.							
	40-44 Yrs.	45-49 Yrs.	50-54 Yrs.	55-59 Yrs.	60-64 Yrs.	65-69 Yrs.	70 Yrs. and above.	
1881	7.80	5.95	5.16	3.15	2.46	1.17	1.27	
1891	6.76	4.70	4.35	2.29	2.32	0.98	1.41	
1901	7.76	5.04	3.84	2.35	2.00	1.17	1.29	
1911	7.40	5.41	3.99	2.42	1.76	0.98	1.23	
1921	8.66	6.65	5.25	3.55	2.81	1.66	1.85	
1931	8.10	8.10	6.74	4.66	3.54	2.48	3.00	

SOURCE: Seventh Census of Canada, 1931. Volume III., Age of the People, pp. 26 and 27, inclusive.

per cent. of the total to 43.14 per cent. of the total. The main increase in urban population has been in the City of Vancouver.

Table 35 shows the distribution of the gainfully employed in British Columbia by occupations in the census years 1911, 1921, and 1931. In 1911, 44.36 per cent. of the gainfully employed were engaged in primary and manufacturing industries, while in 1931, 34.51 per cent. were engaged in these industries. The population engaged in agriculture, fishing, forestry, mining, and hunting has changed relatively little, being 27.35 per cent. in 1911, 28.93 per cent. in 1921, and 24.92 per cent. in 1931. The main decrease was in the manufacturing industries, which were 16.98 per cent. in 1911, 14.78 per cent. in 1921, and 9.59 per cent. in 1931. The latter figure, however, must be taken in the light of depression conditions at that time. Taking actual figures, there was a decrease in the manufacturing industries from 35,001 in 1911 to 29,373 in 1931, whereas in the primary industries there was an increase from 56,422 in 1911, to 76,365 in 1931. This would indicate the importance of the primary industries in giving employment in this Province.

Table 36 indicates the comparison of the total gainfully employed in British Columbia, and the portion of that total employed as wage-earners, showing that wage-earners represent 76.8 per cent. in 1931 of the total gainfully employed. This also is an indication of the character of industry in British Columbia, a great deal of it being comparatively large scale production in connection with mining, fishing, and forestry industries.

The character of much of the industry of the Province is such as to cause considerable seasonal employment. This is true of all of our major industries, the degree of seasonality varying from employment of a few weeks in certain types of fishing to a maximum of 8 to 10 months in logging, under ideal conditions. This constitutes a very serious element in possible individual earnings, which in certain cases amount to as low as four or five hundred dollars per

TABLE 35.

NUMERICAL AND PERCENTAGE DISTRIBUTION OF THE GAINFULLY EMPLOYED IN BRITISH COLUMBIA BY OCCUPATIONS (WITH BREAKDOWN FOR SEX). DECENNIAL CENSUS YEARS 1911 TO 1931, INCLUSIVE.

Occupation.	1911.						1921.						1931.					
	TOTAL.		MALE.		FEMALE.		TOTAL.		MALE.		FEMALE.		TOTAL.		MALE.		FEMALE.	
	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total	No.	% of Total
<i>All Occupations</i>	206,109	100.0	189,482	100.0	16,627	100.0	219,727	100.0	194,214	100.0	25,513	100.0	306,187	100.0	262,444	100.0	43,743	100.0
<i>Primary and Manufacturing Occupation</i>	91,423	44.36	87,679	46.28	3,744	22.51	96,019	43.70	92,711	47.74	3,308	12.98	105,738	34.51	101,454	38.66	4,284	9.83
Agriculture	24,442	11.86	24,037	12.69	405	2.44	35,132	15.99	34,388	17.71	744	2.92	43,638	14.24	42,209	16.08	1,429	3.27
Fishing	3,992	1.91	3,928	2.04	64	.39	4,412	2.01	4,408	2.27	4	...	7,831	2.56	7,804	2.97	27	...
Forestry	11,831	5.74	11,828	6.24	3	...	12,635	5.75	12,633	6.50	2	...	12,929	4.22	12,929	4.92	...	...
Mining and Quarrying	15,569	7.55	15,560	8.21	9	.06	11,115	5.06	11,089	5.71	26	.10	10,342	3.37	10,339	3.94	3	...
Hunting and Trapping	588	.29	580	.30	8	.06	254	.12	253	.13	1	...	1,625	.53	1,605	.61	20	...
Manufacturing	35,001	16.98	31,746	16.75	3,255	19.58	32,471	14.78	29,940	15.42	2,531	9.92	29,373	9.59	26,568	10.12	2,805	6.41
<i>All Other Occupations</i>	114,686	55.64	101,803	53.72	12,883	77.49	123,708	56.30	101,603	52.26	22,205	87.02	200,449	65.49	160,990	61.34	39,459	90.17
Construction	24,094	11.68	24,078	12.70	16	.10	16,723	7.61	16,677	8.59	46	.18	19,011	6.21	19,010	7.25	1	...
Transport and Communication	29,644	14.38	29,214	15.41	430	2.59	22,562	10.27	20,930	10.77	1,632	6.40	28,167	9.19	26,277	10.01	1,890	4.31
Service (1)	38,212	18.54	27,808	14.67	10,404	62.57	45,153	20.55	30,996	15.96	14,157	55.48	54,572	17.82	31,224	11.90	23,348	53.37
Trade and Finance (2)	22,736	11.03	20,703	10.93	2,033	12.23	28,806	13.11	23,696	12.15	5,210	20.42	33,615	10.98	28,341	10.80	5,274	12.05
Electric Light and Power	...	...	...	...	...	...	...	...	...	...	...	...	4,793	1.56	4,793	1.83	...	...
Others: Labourers (other than in primary industries), Clerical	...	...	...	...	...	...	10,464	4.76	9,304	4.79	1,160	4.54	60,291	19.73	51,345	19.56	8,946	20.44

(1) SERVICE: Includes domestic, professional, civic and provincial government employees.

(2) Includes Trade and Merchandising, Warehouse and Storage, and Commercial Occupations.

SOURCES: Census of Canada: 1911, Vol. VI.: Occupations of the People. 1921, Vol. IV.: Population. 1931, Vol. VII.: Occupations and Industries.

TABLE 36.

A COMPARISON OF THE GAINFULLY EMPLOYED AND WAGE EARNERS, TEN YEARS OF AGE AND OVER, ACCORDING TO INDUSTRIES IN BRITISH COLUMBIA, CENSUS YEAR 1931 (JUNE 1ST).

Industries.	GAINFULLY EMPLOYED.				WAGE EARNERS. (1)				Per Cent. of Gainfully Employed who are Wage Earners.
	Total.		Male.	Female.	Total.		Male.	Female.	
	No.	Per Cent.			No.	Per Cent.			
<i>All Industries</i>	306,263	100.00	262,515	43,748	235,066	100.00	198,448	36,618	76.8
Agriculture	43,056	14.06	41,596	1,460	12,537	5.35	12,338	204	29.1
Forestry (Logging)	15,617	5.10	15,491	126	14,826	6.31	14,700	126	94.9
Fishing	7,955	2.60	7,923	32	3,049	1.30	3,029	18	38.3
Mining and Quarrying	12,741	4.16	12,657	84	11,354	4.83	11,273	71	89.1
Hunting and Trapping	1,616	.53	1,595	21	61	—	61	—	3.8
Manufacturing	44,692	14.59	41,426	3,266	42,724	18.17	39,516	3,022	85.6
Animal Products	4,992	1.63	4,243	749	4,878	2.08	4,142	736	97.7
Vegetable	4,044	1.32	3,339	705	3,689	1.57	3,022	667	91.2
Textile	954	.31	459	495	855	.36	383	472	89.6
Wood, Pulp, and Paper	21,415	6.99	20,602	813	20,472	8.70	19,707	765	96.9
Iron and Products	5,640	1.84	5,459	181	5,402	2.30	5,237	165	95.8
Non-Ferrous Metals	4,103	1.34	3,980	123	3,997	1.71	3,936	61	97.4
Non-Metallic Metals	1,908	.62	1,850	58	1,810	.77	1,774	36	94.9
Chemicals and Acids	906	.30	845	61	864	.37	812	52	95.4
Miscellaneous	730	.24	649	81	574	.24	503	68	78.6
Electric Light and Power	1,062	.35	1,007	55	1,060	.45	1,005	55	99.8
Construction	24,749	8.08	24,620	129	20,802	8.85	20,678	124	84.1
Transport and Communication	31,759	10.36	29,220	2,539	29,798	12.68	27,269	2,528	93.8
Trade	34,807	11.36	27,301	7,506	25,304	10.76	18,563	6,687	72.7
Finance and Insurance	7,581	2.48	5,744	1,837	6,237	2.65	4,419	1,818	82.3
Service	64,878	21.18	38,426	26,452	51,502	21.90	29,986	21,425	79.4
Unspecified	15,750	5.14	15,509	241	15,750	6.70	15,509	241	100.0

NOTE.—A gainful occupation in census usage is an occupation by which the person who pursues it earns money or money equivalent or in which he assists in the production of marketable goods. A wage earner is one who works for salary or wage, including the person on commission or piece rate payment. (Dominion Bureau of Statistics.)

(1) Including industries with ten or more persons.

SOURCE: Census of Canada, 1931: Volume VII., Occupations and Industries.

annum. The primary industries of the Province being dependent for the most part on export markets, are exposed to any change in world conditions and to business recessions. These conditions make the income of a large number of the people of this Province peculiarly precarious.

INCOME.

There are many almost insurmountable difficulties incidental to estimating the Provincial Income of British Columbia. Very complete statistical data is required. There has been a study of the National Income of the Dominion of Canada, but even in this work, with more complete data available, many broad assumptions had to be made.²¹

In this study the same methods as used by the Dominion Bureau of Statistics in estimating the Dominion Income have been adopted. The net value of production of "form" utilities has been one basis, the earnings of persons resident in British Columbia was another, and the retail sales of British Columbia merchandise stores and service institutions offered yet another possible

(21) Canada, Dominion Bureau of Statistics, Ottawa, 1934, "The National Income of Canada."

TABLE 37.

THE NET VALUE OF PRODUCTION IN BRITISH COLUMBIA, 1925-1934, SHOWING THE RELATIVE IMPORTANCE OF DIFFERENT INDUSTRIES. (1)

Year.	Agriculture.	Forestry.	Fisheries.	Trapping.	Mining.	Electric Power.	Construction.	Custom and Repair.	Manufactures.	TOTAL.	
										Dollars.	Per Cent. of Canada's Production.
1925	\$34,121,430 13.1%	\$73,753,202 28.3%	\$22,414,618 8.6%	\$1,335,519 0.5%	\$64,435,272 24.7%	\$7,356,703 2.8%	\$16,639,050 6.4%	\$5,197,000 2.0%	\$99,948,855 13.6%	\$260,941,481 100.0%	7.9
1926	35,495,000 12.3%	77,410,961 26.8%	27,367,109 9.5%	1,779,111 0.6%	65,622,976 22.7%	8,119,194 2.8%	19,412,570 6.7%	5,910,000 2.0%	111,773,090 16.6%	289,109,011 100.0%	8.0
1927	39,759,000 13.5%	76,865,324 26.0%	23,264,342 7.9%	1,779,229 0.6%	60,801,170 20.6%	9,596,949 3.2%	27,169,564 9.2%	6,377,000 2.1%	120,676,215 16.9%	295,603,020 100.0%	7.6
1928	45,432,894 14.14%	82,908,779 25.80%	26,562,727 8.26%	1,526,621 0.48%	64,496,351 20.07%	10,018,853 3.12%	27,541,000 8.57%	7,091,000 2.21%	133,665,857 17.35%	321,354,242 100.00%	7.80
1929	39,111,382 11.80%	86,888,253 26.21%	23,930,692 7.22%	1,363,264 0.41%	68,132,378 20.57%	10,305,402 3.11%	35,170,816 10.61%	9,245,000 2.79%	132,286,208 17.28%	331,466,014 100.00%	8.40
1930	34,324,121 12.76%	64,529,220 23.99%	23,103,302 8.59%	771,899 0.29%	54,953,320 20.43%	10,817,779 4.02%	21,441,550 7.97%	8,120,000 3.02%	117,990,663 18.93%	268,972,091 100.00%	8.36
1931	27,328,000 14.10%	39,050,429 20.16%	11,108,873 5.73%	586,169 0.30%	35,337,756 18.24%	10,693,004 5.52%	19,307,665 9.97%	6,478,000 3.34%	93,800,922 22.64%	193,751,045 100.00%	7.75
1932	22,838,966 15.36%	25,633,890 17.24%	9,909,116 6.66%	492,839 0.33%	27,326,173 18.38%	10,082,357 6.78%	5,563,285 3.74%	5,052,000 3.40%	74,577,448 28.11%	148,889,806 100.00%	7.06
1933	25,501,038 16.04%	29,493,368 18.55%	12,001,471 7.55%	583,225 0.37%	30,794,504 19.37%	9,892,781 6.22%	5,992,610 3.77%	4,901,745 3.08%	75,193,257 25.05%	159,002,785 100.00%	7.71
1934	27,852,095 14.85%	37,026,590 19.75%	15,234,335 8.12%	871,663 0.46%	41,206,965 21.96%	10,675,370 5.69%	5,954,989 3.17%	5,449,713 2.90%	82,841,189 23.10%	187,609,393 100.00%	7.88

(1) By net value is meant the total value of all the individual commodities produced under a particular heading minus the value of materials consumed in the productive process; however, no deduction is made for fuel and electric light and power used in the manufacturing process.

SOURCE: Canada, Dominion Bureau of Statistics, "The Canada Year Book," see chapter "Survey of Production."

method. In each case the available information does not tell the complete story and additional estimates have to be made to cover the information lacking. Thus the "effort" income of wage-earners is known but not the "property" income of owners of capital and land. The net value of "form" utilities produced is known, but not the value of the "time," "place," and "possession" utilities which has to be estimated. The value of retail purchases is known, but not the value of the many other services and goods bought and enjoyed by the consumer.

The estimates arrived at are expressed in terms of money values. The fluctuations in prices accentuate the apparent fluctuations in the Provincial Income. The real variations in this last can be better comprehended if expressed in terms of the price levels of one year; this has been done in Tables 40 and 43, the price levels of 1926 being used.

The estimates of the Provincial Income do not take into account goods and services produced and consumed for which no money transaction takes place. The work of housewives, of children around the home or farm, the flowers from the garden, the home-grown vegetables, etc., are all part of the Provincial Income about which little is known. The estimates only take into account the production and consumption of goods and services for which a money payment or its equivalent is usually made. It is impossible to say how much this additional and unknown income amounts to; it might be anywhere between 50 and 75 million dollars a year.²²

INCOME ON THE BASIS OF NET PRODUCTION.

The following is a brief outline of the method used and the successive steps taken in arriving at an estimated figure for the Provincial Income of British Columbia.

The net value of the production of "form" utilities in British Columbia is given annually in the Canada Year Book.²³ These figures represent the total value of all the commodities produced under the various heads minus the value of the materials consumed in the productive process. In this way almost all duplication is avoided.

TABLE 38.

THE NET VALUE OF PRODUCTION IN BRITISH COLUMBIA, AFTER DEDUCTING THE VALUE OF FUEL AND ELECTRICITY USED IN INDUSTRY, 1928-1934.

(The Net Value of "Form" Utilities.)

Year.	Net Value of Production of British Columbia Industries.	Value of Fuel and Electricity Consumed by Industries in British Columbia.	Net Value of Production after Deducting Value of Fuel and Electricity Consumed.
1928	\$321,354,242	\$3,467,020	\$317,887,222
1929	331,466,014	4,066,693	327,399,321
1930	268,972,091	3,495,758	265,476,333
1931	193,751,045	3,031,324	190,719,721
1932	148,689,806	2,551,125	146,138,681
1933	159,002,785	4,812,217	154,190,568
1934	187,609,393	5,587,281	182,022,112

SOURCE: Canada, Dominion Bureau of Statistics, "Manufacturing Industries of Canada," and Table 37.

(22) See page 73.

(23) See Table 37.

The net figures include the value of fuel, oil, electric light and power, etc., used in the production of manufactures. Duplication is prevented by deducting the value of the fuel consumed by manufacturing industries from the net value of production figures. When this is done we are left with the net value of the production in British Columbia of "form" utilities.²⁴

The figure arrived at only relates to the value of "form" utilities produced. It represents the value of the products of agriculture, forestry, fishing, trapping, mining, quarrying, oil and salt wells, manufacturing, electric light and power, and construction. It does not take into account the value of "time," "place" or "possession" utilities. It does not include the value of the products of transportation and communication, trade, finance, service, etc. The next problem is to estimate the value of these additional types of goods and services.

From the Seventh Census of Canada we are able to ascertain the number of gainfully occupied persons in British Columbia pursuing the various productive activities enumerated above.²⁵ The following figures summarize the information given with more detail in the Tables:

NUMBER OF GAINFULLY OCCUPIED PERSONS IN BRITISH COLUMBIA ENGAGED
IN THE PRODUCTION OF DIFFERENT TYPES OF UTILITIES, 1931.²⁶

	Group I. "Form" Utilities.	Group II. "Time," "Place," and "Possession" Utilities.
Males	146,302	100,711
Females	5,182	38,326
Totals	151,484	139,037

According to the Seventh Census of Canada, 1931, Bulletin 33, published by the Dominion Bureau of Statistics, the average wage earned by men and women gainfully occupied was \$896 and \$625 a year respectively in British Columbia. Thus, using the figures of Table 39, summarized on the next page, the wages paid out to the workers in Group I. were (estimated):

$$\$ (146,302 \times 896) + (5,182 \times 625) = \$134,323,342.$$

And in Group II. (estimated):

$$\$ (100,711 \times 896) + (38,326 \times 625) = \$114,190,806.$$

Assuming that the relative productivity of both groups of industries are proportionate to the productivity and earnings of the workers employed, Group II. is:

$$\frac{114,190,806}{134,323,342} \text{ as productive as Group I., which is equivalent to being } .85011886 \text{ as productive.}^{27}$$

(24) See Table 38. By "net value" is meant the total value of all the individual commodities produced under a particular heading (e.g., Forestry) minus the value of materials consumed in the productive process.

(25) See Table 39.

(26) A gainfully occupied person normally earns money or the equivalent or assists in the production of marketed goods.

(27) This assumption seems reasonable. Very broadly, differences in wages paid can be attributed to differences in productivity. Each industry pays to its workers as much as it has to, but never more than it can afford. The relation of the total wages of each group to one another should approximately indicate their relative productivity, and that of the industries in which they are gainfully employed.

TABLE 39.

THE NUMBER OF GAINFULLY EMPLOYED MALES AND FEMALES, TEN YEARS OF AGE AND OVER, BY OCCUPATION GROUPS, IN BRITISH COLUMBIA IN 1931.⁽¹⁾

	MALES.		FEMALES.		TOTALS.	
	(No.)	(%)	(No.)	(%)	(No.)	(%)
I. Production of "Form" Utilities—						
Agriculture	41,591	15.84	1,464	3.34	43,055	14.05
Forestry, Fishing, Trapping	25,005	9.52	184	0.42	25,189	8.22
Mining, Quarrying, Oil, Saltwells	12,651	4.81	84	0.19	12,735	4.15
Manufacturing	41,433	15.78	3,264	7.45	44,697	14.59
Electric Light and Power	1,007	0.38	55	0.12	1,062	0.34
Construction	24,615	9.37	131	0.29	24,746	8.07
Sub-totals	146,302	55.73	5,182	11.84	151,484	49.46
II. Production of "Time," "Place," and "Possession" Utilities—						
Transportation and Communication (excluding the Post Office)	29,224	11.13	2,538	5.79	31,762	10.37
Trade	27,301	10.40	7,503	17.14	34,804	11.36
Finance	5,720	2.17	1,837	4.19	7,557	2.46
Service	38,466	14.65	26,448	60.42	64,914	21.19
Sub-totals	100,711	38.37	38,326	87.57	139,037	45.40
Unspecified	15,489	5.90	260	0.59	15,749	5.14
Totals	262,502	100.00	43,768	100.00	306,270	100.00

(1) Gainful occupation is one by which a person earns money or the equivalent, or in which he assists in the production of marketable goods: children and housewives doing general household work and chores are not included even if at odd times engaged at other work.

SOURCE: Canada, Dominion Bureau of Statistics, Seventh Census of Canada, Bulletin 31, 1931.

Assuming that Group II. is .85011886 as productive as Group I., the total productivity of Group I. and Group II. will be 1.85011886 the productivity of Group I. This will be the total recorded productivity, in money values, of the people of British Columbia.²⁸

Upon this basis, Table 40 gives the recorded money value of the production of the people of British Columbia from 1928–1934 inclusive. Only seven years are taken because (a) using the figures of 1931 in regard to occupational groupings of the gainfully employed there is an obvious limit to using these figures for years too far removed from 1931, and (b) by taking 1931 and three years before and after that date the worst years of the depression are in large measure off-set by the inclusion of 1928 and 1929, relatively boom years, and of 1934 which shows signs of recovery.

Column 3 of Table 40 gives the money value of the Provincial Income. However, prices fluctuated considerably over the seven year period 1928–1934. Columns 4 and 5 of the same Table indicate the standing of the wholesale and retail price indices over this period. When adjustments have been made for these variations, shown in Columns 6 and 7, the Provincial Income, expressed in terms of 1926 price levels, is given from 1928–1934 in Column 8.

Apart from possible weaknesses in the assumption used to estimate the productivity of the "time," "place," and "possession" utilities the two major defects in the estimates arrived at are that (a) no adjustment has been made for net external payments of interest and dividend, and (b) the value of domestic services and goods produced within the household are not taken into account.

(28) See Table 40.

TABLE 40.
ESTIMATED INCOME OF BRITISH COLUMBIA, 1928-1934.
(Based upon the Production of Goods and Services.)

Year.	Net Value of Production after Deducting Fuel and Electricity in Primary and Secondary Industries.	Estimated Value of Production in Trade, Service, Transportation and Other Services.	Total Estimated Value of Provincial Income. (Sum of Cols. 1 and 2.)	Wholesale Price Index for Canada 1926=100. (1)	Retail Price Index for Canada 1926=100. (2)	Estimated Real Net Value of Production in Primary and Secondary Industries. (Column 1 Deflated by Column 4.)	Estimated Real Value of Production in Trade, Service, Transportation, etc. (Column 2 Deflated by Column 5.)	Estimated Real Value of Estimated Provincial Income. (Column 6 plus Column 7.)
	1.	2.	3.	4.	5.	6.	7.	8.
1928	\$317,887,222	\$270,241,923	\$588,129,145	96.4	98.9	\$329,758,529	\$273,247,647	\$603,006,176
1929	327,399,321	278,328,337	605,727,658	95.6	99.9	342,467,908	278,606,943	621,074,851
1930	265,476,333	225,686,437	491,162,770	86.6	99.2	306,554,680	227,506,468	534,061,168
1931	190,719,721	162,134,432	352,854,153	72.1	89.6	264,521,110	180,953,607	445,474,717
1932	146,138,681	124,235,249	270,373,930	66.7	81.4	219,098,412	152,623,156	371,721,568
1933	154,190,568	131,080,310	285,270,878	67.1	77.7	229,792,202	169,354,405	399,146,607
1934	182,022,112	154,740,430	336,762,542	71.6	78.7	254,220,826	196,620,622	450,841,448

(1) Canada, Dominion Bureau of Statistics, "Canada Year Book, 1936," p. 806.

(2) *Ibid.*, p. 812.

The Dominion Bureau of Statistics has estimated that the net balance of interest and dividends payable outside Canada, for the Dominion as a whole, was approximately \$184,000,000 in 1930. For the same year the National Income was put at approximately \$5,000,000,000.²⁹ The net payment of interest and dividends then is about 3.6 per cent. of the National Income. The situation in regard to British Columbia may be the same. However, as British Columbia is in a rather earlier stage of development than Eastern Canada it is probable that not only has British Columbia large amounts of British and United States money invested in her industries but also a considerable amount of capital from Eastern Canada. And so British Columbia may be paying out relatively more in interest and dividend payments than the Dominion. Between 1925 and 1934 the net value of British Columbia production of "form" utilities ranged from between 7.06 and 8.40 per cent. of the Dominion's. British Columbia's share in the \$184,000,000 figure of the Dominion Bureau for 1930 might be as high as 10 per cent., or \$18,400,000, or 3.8 per cent. of the Provincial Income (unadjusted) in 1930.

Of much greater importance is the failure to take into account the services and goods produced within the household or family. Farm families usually raise many vegetables, eggs, milk, and fruits; thousands of families grow their own flowers and do their own gardening, painting, and odd jobs; thousands of wives and "homemakers" fill the role of combined cook, secretary, nurse, and household manager. It is impossible to value these goods and services. The rate of value might be \$500 a year for each "homemaker," \$200 a year for each farm family, and \$50 a year for each urban family. The number of "homemakers" and families in the Province is not known, but it has been assumed on the basis of population that there are 100,000 "homemakers" in the Province producing services worth \$500 a year, and 65,000 urban families producing on the side \$50-worth a year in produce and 13,600 rural families producing

(29) Canada, Dominion Bureau of Statistics, Ottawa, 1934, p. 15, "The National Income of Canada."

within the family \$200-worth of produce a year. An addition of \$55,970,000 would have to be made to the Provincial Income.

The character of the industry of British Columbia would indicate that it is unlikely that subsistence or uncertain income is as high as in the other Provinces of Canada. This would be due in the main to the situation in the forestry and mining industries where a large number of men are employed under conditions where the production of subsistence income is impossible. It would be natural to suppose that the largest sum of subsistence income would be obtained in those Provinces in which agriculture assumes greater importance. A study of the farm population of Canada as given in the 1931 census bears this out. In British Columbia at that time the farm population was only 14.7 per cent. of the total population of the Province as compared with Saskatchewan, 61.2 per cent., and Prince Edward Island 63 per cent. Further, if we take the total rural population in British Columbia, the farm population was only 34.2 per cent. of the rural population as compared with 89.4 per cent. in Saskatchewan, 82.8 per cent. in Alberta, and 82 per cent. in Prince Edward Island. Table 41 shows this situation for each Province.

TABLE 41.
FARM POPULATION.

	Total.	Per Cent. of Total Population.	Per Cent. of Rural Population.
Canada	3,289,140	31.7	68.6
Prince Edward Island	55,478	63.0	82.0
Nova Scotia	177,690	34.6	63.2
New Brunswick	180,214	44.1	64.5
Quebec	177,017	23.3	73.3
Ontario	800,960	27.0	60.0
Manitoba	256,305	36.6	66.7
Saskatchewan	564,012	61.2	89.4
Alberta	375,097	51.3	82.8
British Columbia	102,367	14.7	34.2

SOURCE: Canada, Dominion Bureau of Statistics, Census of Canada, 1931.

The estimates given in Table 41 do not take into account interest payments or the unrecorded production and distribution of goods and services within the home or family circle. The income from this latter is probably greater than the loss due to the former. However, if only the recorded money value of the Provincial Income is desired, the estimates made are probably too great by the net amount of interest, etc., owed outside the Province; this amount should not exceed \$18,400,000 to \$21,700,000 over the period covered.³⁰

INCOME ON THE BASIS OF EARNINGS.

The total national income of any civilized people may generally be divided into two great classes. The first of these is income arising out of the personal effort of the individual; the second arises out of the ownership of property, whether land or capital. In this section ordinary labour will be considered "effort" income and earnings from the rent of land or from interest on capital will be considered as "property" income. The earned or "effort" income of persons in British Columbia can be estimated with some degree of accuracy

(30) See pages 78-82.

from the Seventh Census of Canada in 1931. Unearned, or "property" incomes constitute an unknown field. However, studies by Professor W. I. King in the United States in 1910 put the ratio of "property" income to total income at 25.1 per cent. In a recent estimate of the National Income the Dominion Bureau of Statistics applied this ratio to the estimated total income of the Dominion to obtain the "property" income.

The Census of 1931 established the fact that 262,502 males and 43,768 females were gainfully occupied in British Columbia as at June 1st, 1931.³¹ A gainful occupation was taken as being one by which a person earns money or the equivalent, or in which he assists in the production of marketable goods; children and housewives doing general household work and chores are not included, even if at odd times they are engaged at other work. Approximately three-fifths of the men and three-fourths of the women who reported themselves to be gainfully employed recorded their earnings over the previous twelve months, that is between June 1st, 1930, and May 31st, 1931. The average reported wage for males and females in British Columbia was \$896.44 and \$624.73 respectively.³²

The Dominion Bureau, in a similar study to this one, has assumed that those persons gainfully occupied who did not record their earnings earned as much as those gainfully occupied persons who did record their earnings. The product of the numbers gainfully occupied and the average earnings of those in this group who recorded their earnings shows that the gainfully occupied males earned \$235,316,505 (estimated) and the females \$27,343,008 (estimated). To this the Dominion Bureau of Statistics added \$25 *per capita* to represent part-time jobs, the earnings of which were supposedly unrecorded. This supposition means an addition to the earnings of gainfully occupied males and females in British Columbia of \$6,562,550 and \$1,094,200 respectively.³³

It seems fairly obvious that quite a large number of persons, especially between the "leaving School" age and the middle "twenties" earn money at part-time jobs even though they are not considered to be gainfully employed. Students earn money at College and in the holidays; maturing daughters earn small amounts of money; young people earn money at summer camps, resorts, etc.; but none of these persons would be considered as being gainfully employed. Many would be considered as students, or as daughters living at home. It seems most improbable that all persons not listed as gainfully occupied should earn nothing at all during the year. This must be particularly true of young persons of both sexes attempting to settle down into jobs after leaving school or college.

In 1931 there were 55,302 males and 51,249 females between the ages of 16 and 24 inclusive living in British Columbia.³⁴ After subtracting from these figures the number of males and females ascertained by the census to be gainfully occupied we are left with 12,709 males and 23,386 females unaccounted for. In this study the assumption is made that these men earn on an average \$150 a year and the women earn on an average \$100 a year.

(31) Canada, Dominion Bureau of Statistics, Seventh Census of Canada, Bulletin 31.

(32) *Op. cit.*, Bulletin 33.

(33) *See* Table 42.

(34) Canada, Dominion Bureau of Statistics, Seventh Census of Canada, Bulletin 34.

TABLE 42.

THE ESTIMATED INCOME OF THE PEOPLE OF BRITISH COLUMBIA, 1930-31.
(Based upon Earnings.)

Item.	Classification.	Males. (No.)	Females. (No.)	ESTIMATED EARNINGS.		Total Estimated Earnings.
				Males.	Females.	
(1)	Gainfully Employed Persons (June 1, 1931)	262,502	43,768	-----	-----	-----
(2)	Average Yearly Earnings of Gainfully Employed (1930-1931)	\$896.44	\$624.73	-----	-----	-----
(3)	Total Yearly Earnings of Gainfully Employed in British Columbia, 1930-1931	-----	-----	\$235,316,505	\$27,343,008	\$262,659,513
(4)	Allowance of \$25 <i>per capita</i> for Unrecorded Earnings of Gainfully Employed	-----	-----	6,562,550	1,094,200	7,656,750
(5)	Number of Persons, 16 to 24 Years of Age, in British Columbia (June 1st, 1931)	55,302	51,249	-----	-----	-----
(6)	Number of Persons, 16 to 24 Years of Age, Gainfully Employed (June 1st, 1931)	42,593	27,863	-----	-----	-----
(7)	Number of Persons, 16 to 24 Years of Age, Not Gainfully Employed (June 1st, 1931)	12,709	23,386	-----	-----	-----
(8)	"On the Side Earnings" (Estimated at \$150 a Year for Males and \$100 a Year for Females) of Persons Covered in Item (7)	-----	-----	1,906,350	2,338,600	4,244,950
(9)	Total "Effort" or "Service" Income	-----	-----	\$243,785,405	\$30,775,808	\$274,561,213
(10)	Addition for "Property" Income	-----	-----	-----	-----	106,773,805
(11)	Estimated Provincial Income (Earnings)	-----	-----	-----	-----	381,335,018

SOURCE: (1) Canada, Dominion Bureau of Statistics, Seventh Census of Canada, 1931, Bulletin 31.

(2) *Ibid.*, Bulletin 33.

(3) Calculated.

(4) Estimate used by the Dominion Bureau in calculating the National Income, in "The National Income of Canada," p. 25.

(5) Canada, Dominion Bureau of Statistics, Seventh Census of Canada, Bulletin 26.

(6) *Ibid.*, Bulletin 34.

(7) Calculated. (8) Estimated. (9) Calculated. (10) Estimated. (11) Calculated.

If we allow these additions, representing "on the side earnings" of persons not normally considered as being gainfully employed, an addition to the total earned income of the Province of \$4,244,950 must be made.³⁵

When the various earnings outlined in Table 42 are added it will be seen that the total calculated and estimated "effort" income of persons in British Columbia must have been \$274,561,213.

What were the "property" earnings? The Dominion Bureau of Statistics, as already described, has used Professor W. I. King's ratio of 25.1 per cent. as of "property" income to total income. This was for the United States in 1910. While British Columbia has not reached the economic maturity of the United States the earnings of capital and land in relation to labour in British Columbia today are likely to be as high as they were in the United States in 1910.³⁶ Taking these factors into consideration it was decided to use a ratio of 28 to 100 as representing the proportionate earnings of land and capital to total income.

Using this ratio of 28 per cent. the "property" income in British Columbia over this period can be estimated as being \$106,773,805.

The total income, "effort" and "property" can thus be put at \$381,335,018 for British Columbia, between June 1st, 1930, and May 31st, 1931.

(35) See Table 42.

(36) Canada, Dominion Bureau of Statistics, Ottawa, 1934, page 25: "The National Income of Canada."

In considering this estimate two factors should be borne in mind. First, net interest and dividend payments outside the Province, have not been deducted. These can be assumed as being equal to \$18,400,000.³⁷ On the other hand, a large additional amount should be added representing the vast amount of income (economic) resulting from effort which does not result in income (financial) because the work is done within the home, group of family. A rough estimate placed the value of such effort at \$55,970,000.

INCOME ON THE BASIS OF RETAIL PURCHASES.

In any advanced industrial country where division of labour is the rule and where a money economy prevails, a large part of the community income of the people is spent in the purchase of commodities at retail for consumption by the purchaser. Such purchases, from the point of view of the seller, constitute "retail sales," and may conceivably be recorded as they pass from the hands of the seller into those of the ultimate consumer. Where they are recorded, as in Canada and the United States, the total amount of recorded retail sales, and the fluctuations in those sales, throw a great deal of light upon the national income and the commodities upon which the greater part of it is ordinarily spent.

Retail sales cannot be perfectly recorded. In various markets (such as local agricultural markets) trading is direct between the producer and the consumer. Producers may peddle their wares through the streets to consumers. Thus the grand total of all retail sales in any area is probably substantially greater than those recorded. However, it is believed that the record of retail sales is more than 90 per cent. of the total.³⁸

International comparisons are particularly enlightening in this field. Both the United States and Canada have, in the main, a similar economy stage of development. While this is not exactly true it is substantially true, and there is probably no other country save the United States, which possesses an economic system so closely resembling our own. The chief disturbing factor in this comparison is the proportionately larger farm population of Canada which consumes to a large extent its own produce.

The recorded United States retail sales in 1929, excluding the automobile group and satellite enterprises, amounted to \$39,498,843,000 being 48.7 per cent. of the United States national income of \$81,136,000,000 paid out in 1929 as estimated by the National Bureau of Economic Research.³⁹ Similarly, taking the total Canadian recorded retail sales of commodities in 1930 of \$2,753,319,900, and subtracting the recorded retail sales of the automotive group (as also excluded from the United States figures) of \$381,959,300, there is left, recorded retail sales amounting to \$2,371,360,600. If this amount is accepted as being 48.7 per cent. of the total national income paid out in 1930, the national income is readily ascertainable.⁴⁰

(37) See page 74.

(38) Canada, Dominion Bureau of Statistics, Ottawa, 1934, p. 16: "The National Income of Canada."

(39) *op. cit.*

(40) *Ibid.*

The same method can be used in calculating the Provincial Income of British Columbia: namely, having first obtained the total value of recorded retail sales (minus those of the automotive group) in British Columbia, this is multiplied by $\frac{100}{48.7}$

The total sale of retail merchandise in British Columbia, as given by the Dominion Bureau of Statistics in their annual "Canada Year Book," is shown in column 1 of Table 43, from 1930-1935. This figure excludes the retail sales of the automotive group which have been deducted.⁴¹

This figure does not take into account "purchases" by taxpayers in a private and corporate capacity of government "services," Dominion, Provincial or Municipal. It does not include insurance expenditures, or contributions to churches, organizations, or payment of fees for professional service. All that this figure includes is the value of retail sales other than those of automotive commodities such as automobiles, tires, batteries, gasoline, etc. It is supposed, as already explained, that this amount represents 48.7 per cent. of the total income of the community.

Accordingly, in Table 43, column 1 (representing the value of retail sales other than those of automotive commodities) is multiplied by $\frac{100}{48.7}$ to obtain the total Provincial Income (column 2).

This is in turn adjusted for variations in the price level. Column 4 of Table 43 shows the Provincial Income as estimated on the basis of retail purchases, in terms of 1926 retail prices. This estimate is given for the years 1930 to 1935, inclusive.

This estimate in Column 2 should be from \$18,400,000 to \$21,700,000 less than those estimates given in Tables 40 and 42 which do not take into account the net payment of interest and dividends outside the Province. The estimate given in Table 43, representing the purchase of the public, as it does, obviously takes this deficiency into account as the public will not possess this additional income to spend on purchases.

Like the other estimates, the estimate given in Column 2 of Table 43 does not take into account the large amount of income rendered without financial payment or which is unrecorded such as production and consumption within the family, household, or group.

SUMMARY OF THE ESTIMATES.

Three estimates of the Provincial Income have been made; one on the basis of net value of production,⁴² one on the basis of earnings⁴³ and another on the basis of retail purchases.⁴⁴ The first covers the period 1928-1934 inclusive. The second covers the last seven months of 1930 and the first five months of 1931. The third covers the period 1930-1935 inclusive. The first two do

(41) More specifically "retail sales (other than 'automotive')" includes goods sold at retail stores, such as Foods, General Merchandise, Country General Stores, Apparel, Building Materials, Furniture and Household Goods, Meals bought at Cafeterias, etc., and Other Retail Stores. For more detailed information see the "Canada Year Book," 1937, pp. 616, 617, 618. Retail sales do not include purchases by the ultimate consumer from wholesale establishments or from manufacturers (such as certain bakeries), etc.

(42) Table 40, column 3.

(43) Table 42.

(44) Table 43, column 2.

TABLE 43.

THE ESTIMATED INCOME OF BRITISH COLUMBIA, 1930-1935 (IN THOUSANDS OF DOLLARS).

(Based on Retail Purchases.)

Year.	1. Retail Purchases (Other than "Automotive"). (a)	2. Estimated Provincial Income. (b)	3. Retail Price Index, 1926=100.	4. Estimated Real Provincial Income. (c)
1930.....	\$214,475	\$440,400	99.2	\$443,952
1931.....	180,715	371,078	89.6	414,150
1932.....	143,372	294,398	81.4	361,668
1933.....	135,132	277,478	77.5	358,036
1934.....	147,599	303,078	78.6	385,595
1935.....	158,713	325,899	79.1	412,009

(a) Total value of all retail purchases (other than for goods and services connected with the automotive group) in British Columbia.

(b) Estimated value of income of British Columbia: Column $\frac{1 \times 100}{48.7}$

(c) Provincial Income expressed in terms of 1926 price levels: $(2 \div 3) \times 100$.

SOURCE: Canada, Dominion Bureau of Statistics, Ottawa: "Retail Merchandise Trade in British Columbia," 1933-35, also "The Canada Year Book, 1937," p. 798.

not take into account net payments of interest, etc., outside the Province which approximately might be put at between \$18,400,000 and \$21,700,000.

Table 44 is a summary of the results obtained on the basis of the different methods described above. The figures in column 1 and column 2 of Table 44 differ from those given in Tables 40 and 42 respectively, they are from \$18,400,000 to \$21,700,000 less, representing the estimated outside payments (net) of interest, etc. The year 1930-1931, in the case of columns 1 and 3 has been calculated from the income estimates for 1930 and for 1931. If the 1931 figure was less than the 1930 figure, $\frac{1}{12}$ of the difference was deducted from the 1930 figure; if the 1931 figure was greater than the 1930 figure, $\frac{5}{4}$ of the difference was deducted from the 1931 figure. The figures in Table 44 are not adjusted for variations in the price levels from year to year.

TABLE 44.

SUMMARY OF ADJUSTED ESTIMATES OF THE PROVINCIAL INCOME OF BRITISH COLUMBIA.

(According to Different Bases of Calculation.)

Year.	1. Estimated Provincial Income (Production). (1)	2. Estimated Provincial Income (Earnings). (1)	3. Estimated Provincial Income (Consumption).
1928.....	\$566 Millions	-----	-----
1929.....	584 "	-----	-----
1930.....	473 "	-----	\$440 Millions
June 1, 1930-May 31, 1931.....	392 "	\$363 Millions	400 "
1931.....	335 "	-----	371 "
1932.....	251 "	-----	294 "
1933.....	266 "	-----	277 "
1934.....	317 "	-----	303 "
1935.....	-----	-----	326 "

Column 1. Provincial income estimated on basis of net value of production: Source—column 3, Table D.

Column 2. Provincial income estimated on basis of total earned and unearned income, Table E.

Column 3. Provincial income estimated on basis of retail purchases, column 2, Table F.

(1) Deductions have been made for the payment (net) of interest outside the Province.

TABLE 45.

FINAL ESTIMATE OF THE PROVINCIAL INCOME OF BRITISH COLUMBIA,
1930-1934.

Year.	1. Estimate of Provincial Income (Production).	2. Estimated Provincial Income (Consumption).	3. Provincial Income (Mean Estimate).	4. <i>Per Capita</i> Income.
1929.....	\$566 Millions	_____	_____	_____
1929.....	584 "	_____	_____	_____
1930.....	473 "	\$440 Millions	\$456.5 Millions	\$675.29
1931.....	335 "	371 "	353.0 "	508.64
1932.....	251 "	294 "	272.5 "	387.07
1933.....	266 "	277 "	271.5 "	381.32
1934.....	317 "	303 "	310.0 "	427.59
1935.....	_____	326 "	_____	_____

Column 1. Provincial income estimated on basis of value of net production: column 1, Table 44.

Column 2. Provincial income estimated on basis of retail purchases: column 3, Table 44.

Column 3. Average of 1 and 2.

It will be seen that there is an approximate similarity between the estimates obtained on the basis of net value of production (column 1) and on those based on the retail purchases (column 3). The estimate of \$363,000,000 obtained on the basis of earnings between June 1st, 1930, and May 31st, 1931, does not agree with the estimates by the other two methods adjusted for the different period.

There are two major alternative explanations for this discrepancy. One is that the ratio of "property" income to total income in British Columbia is greater than 28 per cent. The other is that the method used in adjusting the 1930 and 1931 figures in columns 1 and 3 to cover the period 1930-1931, and based on the assumption of a uniform rate of decrease, may not fit the facts of the case.

As the estimate on the basis of recorded earnings covers only one twelve month period, and this a period not comparable with those covered by the other estimates, it has been thought best to consider only columns 1 and 3 in Table 44: these are the estimates based on the net value of production and on retail purchases.

The estimates given in column 3 of Table 40 are not adjusted for estimated net payment of interest abroad, the adjusted estimates are given in column 1 of Tables 44 and 45. During the period 1928-1934 the Dominion of Canada was estimated to have made net payments outside the Dominion to the following amounts:

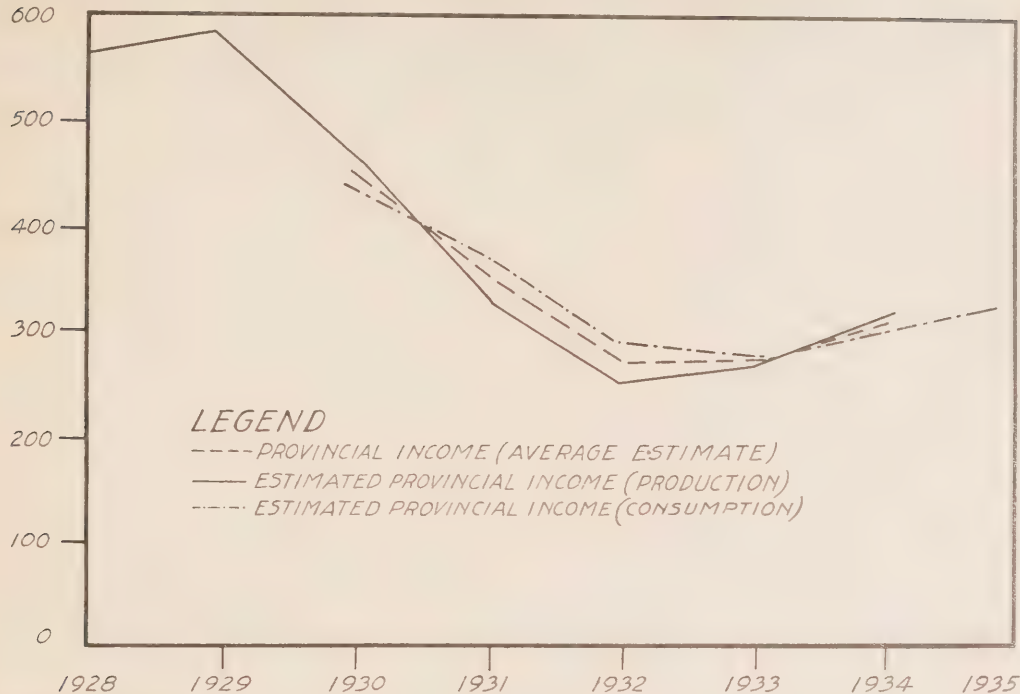
1928.....	\$217,000,000 (approximately)
1929.....	216,000,000
1930.....	184,000,000
1931.....	181,000,000
1932.....	192,000,000
1933.....	192,000,000
1934.....	195,000,000 ⁴⁵

It is a well recognized fact that British Columbia has relatively more "outside" capital invested in its industries and business, upon which interest is paid,

(45) Canada, Dominion Bureau of Statistics, "The Canada Year Book," 1930-1937, inclusive.

MILLIONS
OF DOLLARS

CHART II
PROVINCIAL INCOME OF BRITISH COLUMBIA



SOURCE: Table 45.

than has the Dominion as a whole. If the Dominion pays out 3.6 per cent. (as in 1930) of its National Income, British Columbia will probably have to pay out proportionately more, perhaps 4 or 5 per cent. or even higher. During the period 1925-1934 (see Table 37) the value of British Columbia's production of "form" utilities was between 8.4 and 7.0 per cent. of the Dominion's. In 1931 our population was 6.7 per cent. of the Dominion's. On a *per capita* or a production basis British Columbia might be expected to be responsible for between 6.7 and 8.4 per cent. of the total Dominion net payments abroad on account of interest, etc.

British Columbia has, probably, proportionately as much foreign capital invested in her industries and business enterprises as the other provinces. In addition capital from other Provinces is invested in British Columbia to a greater degree than residents and corporations of British Columbia have invested in other Provinces. The result is that British Columbians, as consumers, taxpayers and entrepreneurs, pay interest (net) abroad to other countries and also to other Provinces. Exactly what proportions this flow of interest assumes it is impossible to state. The arbitrary estimate for British Columbia of ten per cent. of the national net interest payments abroad has been made.

This is slightly higher than relative production and population might indicate as being British Columbia's share, the excess is allowed on account of the net payments that must be made to the other Provinces. The adoption of a ten per cent. rate is probably very conservative.

Table 45 consists of the adjusted estimate made on the basis of the net value of production, the estimate based on the retail purchases, and an arithmetic average of the two. This last (column 3, Table 45) can be considered as being the estimated Provincial Income of British Columbia.

Chart II. represents graphically the estimates summarized in Table 45.

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION.

PART IV.

THE SOCIAL FUNCTIONS OF GOVERNMENT.

PART IV.
THE SOCIAL FUNCTIONS OF GOVERNMENT.

SOCIAL SERVICES.

The social services of the government may be said to be the services by which those unable to protect themselves are assisted by the government, services through which individuals engaged in the activities of the community are assisted and protected, and services which can be best provided by the community as such rather than by the individual.

The Provincial expenditures of 1936-1937 for the various social services were as follows:

Health and welfare generally	\$4,829,759.25
Education	4,003,906.82
Unemployment Relief	5,645,378.62
Administration of Justice	1,261,473.28
Total	\$15,740,517.97 ¹

The combined Provincial-Municipal expenditures for certain types of social services during 1935-1936 were approximately as follows:

Relief, Health, and Welfare	\$16,445,000
Education	10,135,000
Administration of Justice	2,675,000
Total	\$29,255,000 ²

Social services are responsible for between one-third and one-half of the total disbursements of the Province and municipalities.

Apart from questions of responsibility and administration the problems of tax sources and of the equity of taxation are urgent. The social services are mainly the responsibility of the Province, and the restricted field of taxation allotted to the Province has resulted in a distortion of the Provincial-Municipal tax base, for example, the incidence of the cost of education on property.

The social services may be divided into three groups:

1. General and Protective
2. Medical
3. Charitable.

Under general and protective are:

Provincial Secretary's Office
Public Inquiries into Social Questions
Inspection of Apprenticeship
Infants' Act
Official Guardian

(1) See Table 87.

(2) See Table 93.

Factories Inspection
 Mines' Inspection
 Mines' Rescue Training
 Board of Industrial Relations
 Hours of Work Act
 Minimum Wage
 Employment Service
 Aid of Youth Employment
 Minister of Labour's Office
 Trades Schools Regulations Act
 Child Welfare
 Companies Office
 Insurance Office
 Securities Office
 Censorship of Moving Pictures
 Administration of Motor Vehicle Act
 Electrical Energy Inspection
 Steam Boiler Inspection
 Fire-Marshall Act
 Miscellaneous.

The increase in the burden of Provincial expenditure for general and protective social services may be seen in the following Table:³

YEAR.	PROVINCIAL EXPENDITURE.	RATE OF INCREASE.
1876	\$2,824.96	—
1886	6,400.00	2.3
1896	15,994.20	2.5
1906	48,221.98	3.0
1916	142,202.86	2.9
1926	326,703.24	2.1
1936	371,260.58	1.1

A study of the legislation in British Columbia covering this field is of interest as showing the growing idea of humanitarianism in society and the corresponding growth of Provincial Government responsibility in this respect. In addition to the protection of the young, the disabled, the weak, and the poor, workers are protected in their working conditions, and the general public is protected from such dangers as fraud and misrepresentation.

The following items are included under medical social services:

Administration of Health and Welfare
 Provincial Board of Health and Provincial Laboratories
 Aid to Hospitals
 Resident Physicians
 Mental Hospitals
 Tuberculosis Institutions
 Provincial Home for Incurables (Provincial Infirmary)
 Preventive Medicine
 Health Insurance
 Venereal Diseases
 Workmen's Compensation (administration and liability).

(3) See Table 82.

The same trend of expenditure applies to this category (as shown in Table 82) and is as follows:

YEAR.	PROVINCIAL EXPENDITURE.	RATE OF INCREASE.
1876	\$22,514.18	....
1886	35,946.00	1.6
1896	83,370.12	2.3
1906	198,871.21	2.4
1916	566,834.11	2.9
1926	1,902,081.71	3.4
1936	2,114,614.57	1.1

There has been a very rapid increase in expenditure in this field, particularly in the last twenty-five years. There are two main reasons for this: one is the increasing complexity and specialization of modern medicine as new scientific discoveries are made, and the other is the increased emphasis in recent years on preventive medicine. With regard to this latter it is felt that the effect of this work should be ultimately to reduce the need for certain medical services and possibly the total cost.

Due to the increased cost of modern medical diagnosis and treatment many persons are unable to meet these charges. This is especially true during periods of depression when savings become exhausted. Even during years of relative prosperity a large section of the community seems to be unable or unwilling to accumulate a reserve sufficient to pay for proper medical attention and care. The result is that the hospitals are operating at a deficit, and this deficit has to be made up by the Provincial Government and the municipalities.

Modern humanitarianism also dictates that the indigent should receive medical care when in need of it. This cost must also be met by the community. The community pays as a taxpayer and also in the rather haphazard adjustment of fees and bills by the doctors and hospitals according to the means of the patients. This latter is really a form of unofficial taxation.

Part of the increase in the cost of medical social services as undertaken by the Provincial Government is explained by the emphasis during recent years on preventative work. What may be expected from such expenditures is shown in the following statement.

"The money value of preventative work may be illustrated by referring the effects of deaths and disabilities from tuberculosis and the venereal diseases, both largely preventable, upon mothers' pensions charges. In March, 1936, 16.1 per cent. of all mothers' pension cases could be attributed to tuberculosis or the venereal diseases. The annual cost of allowances for these cases was about \$93,000. From this it would appear that if the deaths and disabilities from tuberculosis and the venereal diseases were cut in half, over a period of five or ten years, it is quite possible that there would be an annual saving in mothers' pensions alone of about \$50,000—as much as the whole cost of the provincial venereal disease programme during the fiscal year 1936–1937. In addition, there would be other savings, probably much larger in total, incidental to reduction of care for patients in mental hospitals, general hospitals and other institutions and to lessened demands for poor relief, care of dependent children, old age pensions, etc."⁴

At the present the Provincial Government is forced by circumstances to make very large expenditures for curative treatment and custodial care. Whenever it is possible to adopt measures that are really preventative in nature, such expenditures, over a period of years, should result in considerable saving.

(4) British Columbia, Department of Provincial Secretary, May, 1937: "New Developments in Health and Welfare, 1933–37."

However, the value of preventative work undertaken by a single Province is considerably lessened if there is not effective co-operation between the various Provinces.⁵ As there are many difficulties in persuading nine independent governments to agree on effective preventative work, it would appear that Dominion leadership is desirable.

ADMINISTRATION OF HEALTH AND WELFARE.

The office of Director of Social Welfare was created in July of 1934. The purpose of the office is to co-ordinate the various health and welfare services administered by the Department of the Provincial Secretary. The duties of the Director are largely of a "planning" nature to deal with problems of co-ordination, reorganization and the new developments being incorporated in the various services.

PROVINCIAL BOARD OF HEALTH AND PROVINCIAL LABORATORIES.

General supervision of public health has long been a care of the Provincial Governments. Prior to Confederation, in 1869, there was passed a "Health Ordinance" the preamble to which stated:

"Whereas it is necessary to adopt measures with the object of preventing or guarding against the origin, rise or progress of endemic, epidemic, or contagious diseases, and to protect the health of the inhabitants of this Colony, and for this purpose to grant to the Governor-in-Council extraordinary powers to be used when urgent occasion demands."⁶

The Governor-in-Council was given authority to define health districts and to make sanitary regulations⁷ which were to have the force of law.⁸ Municipal councils of city municipalities were to be constituted as local boards, with the duty of carrying out the Orders-in-Council.⁹

By 1888 another clause had been added stating:

"Whenever there is good and sufficient reason to apprehend the invasion of any contagious or epidemic disease, likely seriously to endanger life, the Lieutenant-Governor in Council may appoint and pay a fit and proper officer to be called the Health Officer, whose duty it shall be to provide that the Local Boards carry out the Orders-in-Council, and generally to perform such duties as the Lieutenant-Governor in Council may direct. . . ."¹⁰

In 1893 the broad provisions for a Provincial public health service, as we know it today, were set out by the "Health Act" of that year.¹¹ Section 3 of this Act provided that:

"There shall be a Board of Health in the Province . . . and it shall consist of not more than five members . . . appointed . . . by the Lieutenant-Governor in Council."¹²

The Board of Health is responsible for attending to the interests and health and life among the people of the Province, making sanitary investigations and enquiries with regard to causes of diseases, especially epidemics, causes of mortality, the effects of employments, conditions, habits, and other cir-

(5) For certain specific examples of wasted effort resulting from lack of co-ordination between the provinces and from lack of Dominion leadership, see section on "The Problem of Responsibility."

(6) British Columbia, Revised Statutes 1877, Chapter 83.

(7) *Ibid.*, section 1.

(8) *Ibid.*, section 2.

(9) *Ibid.*, section 3.

(10) British Columbia, Revised Statutes, 1888, Chapter 55, section 5.

(11) British Columbia, Statutes, 1893, Chapter 15.

(12) *Ibid.*, section 3.

cumstances relating to the health of the people. The Board is also responsible for making recommendations for the prevention and control of contagious and infectious diseases and to see that such measures are carried out. It also has charge of the collection of vital statistics. Local Boards are provided for "to superintend and see to the execution of any regulations made by the Provincial Board, or to execute or to aid in executing the same within their respective jurisdiction."¹³

Provision was made for the appointment of local medical health officers.

Since 1893 the "Health Act" has been expanded, and today it incorporates a considerable amount of additional detail. But the broad provisions and administrative structure remain unaltered. The Provincial Board has been given numerous additional powers, but most of these provisions are merely specific grants of authority so that it may better carry out the duties and responsibilities given it at the end of the last century.

AID TO HOSPITALS.

In British Columbia, during 1936, there were 70 general public and 28 private hospitals.¹⁴ The estimated investment of these hospitals (sites, buildings, equipment, etc.) was approximately ten million dollars. They employed 3,317 persons, and their annual pay-rolls totalled \$2,193,376. During the year these public hospitals treated 84,044 patients whose average length of stay was 14.45 days. The bed capacity of these hospitals was 4,452, and on an average, 69 per cent. of the capacity was being utilized at any given time.¹⁵

These public hospitals spent a total of \$3,875,291 during the year. From patients' fees, donations and miscellaneous sources (other than the Province and municipalities) these hospitals received \$2,292,119. The resultant deficit for 1936 was \$1,583,172. As usual the Provincial Government and the municipalities had to meet most of the deficit, and the amount they contributed was \$1,561,575.¹⁶

The following table shows the financial position of public hospitals in the Province for the last ten years:

TABLE 46.

Calendar Year.	Expenses. (1)	Receipts. (2)	% Receipts of Expenses.	Deficit.
1927	\$3,097,711	\$1,967,644	63.5	\$1,130,067
1928	3,265,525	2,077,022	63.6	1,188,503
1929	3,689,557	2,215,534	60.1	1,474,023
1930	3,883,156	2,336,468	60.2	1,546,688
1931	3,656,423	2,053,976	56.2	1,602,447
1932	3,291,379	1,739,758	52.9	1,551,621
1933	3,089,353	1,661,738	53.8	1,427,615
1934	3,352,909	1,872,549	55.9	1,480,360
1935	3,612,909	2,004,080	57.0	1,608,829
1936	3,875,291	2,292,119	59.1	1,583,172
Totals	\$34,814,213	\$20,220,888	58.1	\$14,593,325

(1) These figures do not include capital expenditures.

(2) Receipts do not include grants from the Provincial Government or from the municipalities.

SOURCE: British Columbia, Department of Provincial Secretary, Annual Hospital Reports, 1927-1936.

(13) *Op. cit.*, section 13.

(14) British Columbia, Department of Provincial Secretary, Hospital Service Report, 1936.

(15) *Ibid.*

(16) *Ibid.*

The general position is that the ordinary receipts of the hospitals amount to about 60 per cent. of their current expenditures, and that on an average, the public hospitals of British Columbia realize an annual deficit of approximately one and one-half million dollars.¹⁷

In practice most of this is made up by the taxpayer (Provincial and municipal) to the extent as shown below.

TABLE 47.

PROVINCIAL AND MUNICIPAL GRANTS TO PUBLIC HOSPITALS TO COVER DEFICITS ARISING FROM THEIR OPERATIONS.

Calendar Year.	Total Deficits.	Provincial Grants.	Municipal Grants.	Total Grants.
1927	\$1,130,067	\$738,189	\$405,014	\$1,143,203
1928	1,188,503	725,703	531,955	1,257,658
1929	1,474,023	898,748	459,451	1,358,199
1930	1,546,688	860,435	555,345	1,415,780
1931	1,602,447	800,010	575,257	1,375,267
1932	1,551,621	776,979	593,417	1,370,396
1933	1,427,615	662,601	579,768	1,242,369
1934	1,480,360	786,604	597,604	1,384,208
1935	1,608,829	904,105	611,200	1,515,305
1936	1,583,172	933,540	628,035	1,561,575
Totals.....	\$14,593,325	\$8,086,914	\$5,537,046	\$13,623,960

SOURCE: British Columbia, Department of Provincial Secretary, Annual Hospital Reports.

From these Tables it can be seen that during the ten-year period the expenditures of public hospitals in British Columbia was \$34,814,213, and during the same period only \$20,220,888 was received from the patients, etc., on account of services rendered, the receipts being only 58.1 per cent. of the total expenditures.

Provincial aid to public hospitals is of two types; the first is defined by statutory conditions, and the second type is made up of the grants which represent additional and special payments made in answer to the "cry of distress."

Statutory aid was first given to hospitals under the Hospital Act of 1902. Previously the Province had made various grants to hospitals when in need. Claims on the Government were increasing so rapidly that it was decided that grants should be placed on a more scientific and permanent basis. The Act of 1902 provided that the Provincial Government should grant aid to hospitals of a certain standard in accordance with a sliding scale based on the number of days treatment during the year. In 1908 it was provided that the Lieutenant-Governor in Council might make additional grants to hospitals in outlying parts of the Province as he might deem expedient. The Province pays hospitals which meet the necessary requirements, on the following scale:

NO. PATIENT-DAYS TREATMENT.	AMOUNT PAID FOR EACH PATIENT-DAY.
366-500	\$625.00 (1)
501-1,000	1.25
1,001-2,500	.95 over 1,000
2,501-5,000	.80 over 2,500
5,001-10,000	.75 over 5,000
10,001 and over	.70 over 10,000

(1) Lump sum annual payment.

(17) *Op. cit.*, 1927-1936.

Municipalities are also liable to pay the sum of 70 cents per day for patients who are residents of the municipality. The following Table shows statutory and special grants made to hospitals by the Provincial Government, and indicates that special grants are of a minor character.¹⁸

Fiscal Year.	Statutory.	Special.	Total.
1932-1933	\$786,169	\$19,735	\$805,904
1933-1934	563,569	9,950	573,519
1934-1935	866,449	14,995	881,444
1935-1936	932,209	17,000	949,209
1936-1937	1,018,020	54,481	1,072,501

It is possible that collection methods are not entirely efficient and that non-paying patients may sometimes be allowed to remain too long in hospital, but even allowing for this being corrected there would still be a large annual deficit in the hospitals of the Province which would have to be made up by the Province or by the municipalities. This burden is accentuated because of the inequitable tax burden at the present time. The main source of the revenue of the municipalities being land, the burden does not necessarily fall on those best able to pay. The tax which could be most suitably used to meet this burden is the income tax, and this field is now occupied by both the Dominion and the Province.

RESIDENT PHYSICIANS.

The Province also expends a small amount to assist physicians in outlying districts. This measure is of general benefit to the recipients and the public. When these payments were first commenced (sometime prior to 1886) they were relatively of far more importance than they are today.

MENTAL HOSPITALS.

Care of the mentally ill and under-developed was one of the first social services to be undertaken by the Province. Ever since Confederation, expenditures have been made for this purpose. In 1876 a new asylum was constructed at a cost of \$12,587.25 and in that year a total expenditure of \$22,514.18 was made for lunatic asylums.¹⁹ Ever since, the cost of mental hospitals to the Province has increased steadily.

In regard to mental cases "problems of prevention and care are greatly complicated in British Columbia by reason of its great area and the scattered nature of settlement outside a few large centres."²⁰ As a study of Table 48 shows, the average number of residents in the mental hospitals has increased steadily.

These costs are not inclusive of capital charges. In the fiscal year 1930, \$1,140,892.50 was spent on buildings, and in 1931, \$1,219,651.21. This is not included in the costs in Table 48. Figures in this table do not include refunds, payment for board, etc.; these are gross maintenance cost figures.

Provision is made for collection of costs of maintenance in mental hospitals from relatives or from the estate of the patient. The Dominion Government pays \$1.35 per day on account of those patients who are wards under treatment

(18) British Columbia, Public Accounts.

(19) *Ibid.*

(20) British Columbia, Interim Report of the Royal Commission of Mental Hygiene, 1927, p. 1.

in Provincial mental hospitals. In practice, about 15 per cent. of the gross maintenance cost is collected from private persons or their estates. The majority of persons in public institutions, however, are destitute or are in possession of a small estate, which is soon consumed. Thus, most of the cases in Provincial institutions are, or soon become, direct charges on the Province.

TABLE 48.

AVERAGE NUMBER OF PATIENTS IN RESIDENCE, TOTAL MAINTENANCE COSTS, AND *PER CAPITA* MAINTENANCE COST FOR ALL MENTAL HOSPITALS IN BRITISH COLUMBIA FROM 1876 TO 1936 AT FIVE-YEAR INTERVALS.

Year.	Average No. of Patients in Residence.	Maintenance Cost.	Per Patient Maintenance Cost.
1876 (Dec. 31)	36.41	\$12,917.17	\$344
1881 "	47.18	10,691.76	226
1886 "	59.11	15,334.43	259
1891 "	119.87	21,757.03	181
1896 "	171.43	32,001.40	186
1901 "	269.56	55,406.08	205
1906 "	374.57	66,596.69	177
1911 "	641.02	126,782.50	197
1916 "	1,157.30	271,750.58	202
1921 (Mar. 31)	1,510.24	622,067.98	402
1926 "	1,928.04	695,065.60	396
1931 "	2,481.72	1,014,085.03	388
1936 "	3,126.07	1,061,414.67	349

SOURCE: British Columbia, Annual Reports of the Mental Hospitals.

Contrary to general belief, mental cases do not seem to be increasing disproportionately to the population. The increase in attendance is due rather to the development of the policy of psycho-therapeutic treatment which is designed to ascertain incipient cases at the earliest possible stage of the development of the illness. It is considered that this policy will mean ultimate reduction in costs. Due to the lack of earning ability, most mentally-afflicted persons soon become a burden on the state. Social service care for such persons is unavoidable.

In their final report, the Royal Commission on Mental Hygiene in 1928 recommended that legislation be passed permitting voluntary sexual sterilization. In 1933 there was passed the "Sexual Sterilization Act."²¹ It appointed a Board of Eugenics of three persons, one of whom was to be a judge of a Court of Record in the Province, another a psychiatrist, and the other a person experienced in social welfare work.²²

Section 4, subsection (1), provides that:

"Where it appears to the Superintendent of any institution within the scope of this Act (i.e., any public hospital for the insane, the Industrial Home for Girls or the Industrial School for Boys) that any inmate of that institution, if discharged therefrom without being subjected to an operation for sexual sterilization, would be likely to beget or bear children who by reason of inheritance would have a tendency to serious mental disease or mental deficiency, the Superintendent may submit to the Board of Eugenics a recommendation that a surgical operation be performed upon the inmate for sexual sterilization."²³

(21) British Columbia, Statutes, 1933, Chapter 59.

(22) *Ibid.*, section 3.

(23) *Ibid.*, section 4 (1).

The consent of the subject is required (if capable of giving it) or otherwise of a husband, wife, parent, or guardian if resident in the Province, or of the Provincial Secretary.²⁴ This Act has been of little practical importance as yet, but it is an indication that the Provincial Government is anxious to explore whatever means there are available to reduce the number of persons needing treatment for mental disorders.

TUBERCULOSIS.

Up until 1921 the Province provided hospital care for indigent tubercular cases only incidentally by means of its aids to the hospitals. In 1921 the Tranquille Sanatorium was purchased and this action was ratified in the same year by the "Tranquille Sanatorium Agreement Ratification Act."²⁵ Provision was later made whereby persons with means treated at the Sanatorium should pay for treatment, and failing to do so might have their estates attached. In 1932 the Public Institutions Indemnification (Municipalities) Act made municipalities liable for \$1.25 for each day that a municipal resident was treated.²⁶

In 1936 there was passed a "Tuberculosis Institution Act."²⁷ It provided that

"The Lieutenant-Governor in Council may establish and maintain sanatoria and other institutions for the care and treatment of such persons suffering from tuberculosis as are admitted thereto pursuant to the regulations, and every sanatorium or institution so established and maintained shall be known as a 'Provincial Tuberculosis Institution.'"²⁸

Thus the Act embraces in its scope not only Tranquille but also the branches at the various hospitals.

The Act provided that the property of patients may be charged in the event of their failure to pay for treatment,²⁹ and municipalities are made liable at the "same rate as under" the Public Institutions Indemnification (Municipalities) Act, namely \$1.25 per day for each municipal resident treated.³⁰

Up until a few years ago British Columbia had one of the highest death rates attributable to tuberculosis of any Province in Canada, except Quebec and Maritimes.³¹

In 1933 the number of deaths from tuberculosis in British Columbia was 544, or 76.4 per 100,000 of population, which was higher than any other Province, except Quebec and the Maritimes. In Vancouver, tuberculosis caused about six times as many deaths as all other infectious diseases together. It was apparent that the machinery of tuberculosis control in the Province was not adequate. A special division of tuberculosis control was established under the Provincial Board of Health in 1935. A central office has been established which is making a study of the situation, and in general administering to the treatment of tuberculosis throughout the Province. Facilities for case finding and treating out-patients have been greatly increased. Three travelling clinics

(24) *Op. cit.*, section 8.

(25) British Columbia, Revised Statutes, Chapter 259.

(26) British Columbia, Statutes, 1932, Chapter 42.

(27) *Ibid.*, 1936, Chapter 60.

(28) *Ibid.*, section 3 (1).

(29) *Ibid.*, section 7 (2) (e).

(30) *Ibid.*, section 6.

(31) British Columbia, Department of the Provincial Secretary, 1937, "New Developments in Health and Welfare."

were organized late in 1935 to take the place of the one clinic previously in existence, and in 1937 another clinic was organized to serve portions of the Interior. Tuberculin tests have been given to thousands of school children, students, and employees. There was an increase of 16.7 per cent. in bed capacity in 1937 mainly due to the erection of a new building in Vancouver, and extension of the work elsewhere.

"During the eight months, May 1 to December 31, 1936, 7,269 patients were examined by travelling clinics as compared with 3,247 patients examined by one travelling clinic in 1933. The number of tuberculosis cases known in British Columbia in December of 1936 was 4,157, more than twice as many as were known in January, 1935. The ratio of known tuberculosis cases to deaths at the end of 1936 was about 7 to 1, a very high ratio, as high as has been achieved by any tuberculosis service in North America. A further indication of effective work is that by March, 1937, about 35 per cent. of new patients admitted to institutions were 'far advanced' cases, whereas before the beginning of the new program about 75 per cent. of all patients admitted fell into this category. Under the new program there has been a marked decrease in the length of stay of patients in institutions and increased bed turnover."³²

THE PROVINCIAL INFIRMARY.

A Provincial Home was established in 1893 for persons of destitute means, unable to support themselves and resident in the Province for seven years.³³ Many of these persons, placed in the Home, were destitute and unable to provide for themselves due to chronic disabilities that were not sufficiently grave to require hospitalization but which were sufficiently serious that the presence of such persons in the Provincial Home at Kamloops was not satisfactory. Accordingly, in 1922, a "Provincial Home for Incurables Act" was passed,³⁴ which authorized the Lieutenant-Governor in Council to establish and maintain a Home "for the care of persons who are afflicted with incurable bodily disease or disability."³⁵ The Act also empowers the Lieutenant-Governor in Council to make regulations whereby residents of municipalities may enter the home on the application of the municipality, so that municipalities shall be charged for the cost of maintaining such residents including an additional charge per day (not exceeding fifteen cents) for capital charges, and so that estates of persons admitted to the Home shall be charged for the cost of maintaining such inmates.³⁶

VENEREAL DISEASES.

Up until 1936 very little work had been done towards combating venereal disease, except in Vancouver and Victoria, where there were free clinics. Apart from these no work was done except insofar as practising physicians co-operated with the Provincial Board of Health. A division of venereal disease control was established in 1936. The Vancouver clinic has been enlarged, and a consulting service for physicians who treat venereal cases has been provided. A uniform system of records has been prepared, and educational work is being done. Prior to the establishment of the new division, a certain amount of work was done through the Vancouver and Victoria clinics which were then directly under the control of the Board of Health. To facili-

(32) *Op. cit.*

(33) See section "Provincial Home."

(34) British Columbia, Statutes, 1922, Chapter 60. See also 1937, Chapter 62.

(35) *Ibid.*, section 2—The Home is at Marpole.

(36) *Ibid.*, section 6.

tate this work and to reduce the dangers of contagion, there was passed in 1919 a "Venereal Disease Suppression Act" which made provision for the reporting of cases, the carrying out of treatment, the recovery of costs on account of persons treated, and regulations to prevent the spread of the disease. This Act makes it possible to institute efficient and adequate control measures. Such work, however, to be completely effective, requires either co-operation from the other Provinces or co-ordination by the Dominion Government.

After the War the problem of combating venereal disease became definitely a matter of public concern in Canada. When the Department of Pensions and National Health was established the Dominion Government made provision for a conditional grant to the Provinces to assist in the establishment of a Dominion-wide programme of combating this disease. The grant was allocated to the Provinces on the basis of population. Provinces accepting the grant agreed to spend at least an equal amount on the work of venereal disease control. The grant was paid in two equal allotments: the first payment was made on the application of the Province when it presented its plan and outlined its campaign, and the second, six months later, when a report of satisfactory work being done was made to the Department of Health. As a result of this grant a nation-wide system of venereal disease clinics was established, two of these being in British Columbia; one in Vancouver, and the other in Victoria.

TABLE 49.
STATISTICS OF DOMINION AND PROVINCIAL JOINT EXPENDITURES IN BRITISH COLUMBIA FOR VENEREAL DISEASE CONTROL; DOMINION GRANT TO ALL PROVINCES FOR VENEREAL DISEASE CONTROL, FISCAL YEARS 1919-1920 to 1931-1932 (INCLUSIVE).⁽¹⁾

(In dollars.)

Fiscal Year.	Total Joint Expenditure in British Columbia.	Dominion Government Grant to British Columbia.	Provincial Government's Share of Expenditure in British Columbia.	Dominion Government Grant to all Provinces. (2)
1919-20	14,538.85	7,314.10	7,224.75	93,767.42
1920-21	19,094.45	14,628.19	4,466.26	181,604.82
1921-22	36,563.45	14,628.19	21,935.26	195,313.37
1922-23	42,866.20	14,628.19	28,238.01	189,927.85
1923-24	32,299.87	10,769.61	21,540.26	186,459.70
1924-25	33,058.48	8,069.71	24,988.77	142,899.22
1925-26	33,287.38	6,874.20	26,413.18	118,549.29
1926-27	32,549.09	6,874.20	25,674.89	119,132.44
1927-28	31,109.53	5,798.23	25,311.30	98,858.11
1928-29	35,191.34	5,798.23	29,393.11	98,905.20
1929-30	28,402.78	5,798.23	22,604.55	97,987.03
1930-31	35,523.90	5,798.23	29,725.67	98,475.04
1931-32	29,433.28	5,798.23	23,635.05	99,434.02
Totals	403,918.60	112,767.54	291,151.06	1,721,313.51

(1) No grant was made to the Province of British Columbia by the Dominion Government for Venereal Disease Control after 1931-1932.

(2) There is included in the federal grant to all Provinces \$625,000 of a grant to the Canadian Social Hygienic Council, spread over the years 1919-20 to 1926-27 inclusive, and \$29,471.04 for administrative expenses (sundry at Ottawa) spread over the years 1919-20 to 1931-32.

SOURCES: British Columbia, Public Accounts.
Canada, Auditor-General's Report.

Agreements made between the Federal and Provincial officials made provision for the establishment by the Province of free clinics for the treatment of venereal disease, hospital beds for indoor patients, treatment of gaol inmates, and the appointment of a specially trained medical director to oversee and guide the work in each Province.

Inspection of the work was carried out by Dominion authorities. At the end of each six months the Provinces were required to submit a report of expenditures covering the period. In British Columbia this work was administered by the Provincial Board of Health.

Table 49 shows the amount expended by both the Provincial and the Dominion Governments in venereal disease control, 1919-1920 to 1931-1932.

The amount received by British Columbia during the entire period was \$112,767.54, and in addition, the Provincial Government spent \$291,151.06. There is no doubt that this conditional grant on the part of the Dominion Government encouraged the establishment of facilities for combating venereal disease earlier than would have been the case without Dominion guidance and financial assistance. The grant, however, ceased in 1931, and the Provinces were then solely responsible for this work. The burden was thrown upon the Provinces at a time when they were least able to bear it. This illustrates one of the weaknesses of conditional grants as a financial aid to the Provinces.

It was believed that the clinics established in Vancouver and Victoria for venereal disease control were of paramount importance, and the Province continued to operate these clinics, the Provincial Treasury bearing the whole cost.

Table 50 shows the expenditure for the venereal disease control clinics, etc., in British Columbia for the fiscal years 1931-1932 to 1936-1937.

TABLE 50.

YEAR (FISCAL).	PROVINCIAL EXPENDITURE.
1931-1932.....	\$29,433.28(1)
1932-1933.....	27,766.86
1933-1934.....	26,222.40
1934-1935.....	27,305.54
1935-1936.....	29,829.80
1936-1937.....	50,663.23

(1) Includes \$5,793.23 contributed by the Dominion in that year.

SOURCE: British Columbia, Public Accounts.

During the calendar year 1934 approximately 60,000 treatments were given to persons suffering from one of the venereal diseases in the two clinics. In all, 3,028 persons were given treatment, and 1,598 new cases were reported.

While the clinics and the Board of Health carried on the preventive measures by these two clinics in the urban centres of Vancouver and Victoria, and paid doctors a fee of \$2.00 for every indigent case reported receiving treatment, the incomplete statistics available revealed no significant decline in the number of victims to the social diseases.

In line with the realization of the seriousness of the venereal disease problem in British Columbia, a separate Division of Venereal Disease Control was established on October 1, 1936, and a recognized authority was placed in charge as Director.

The expenditures under this new Division have increased rapidly. In 1936-1937 a sum of \$50,663.23 was expended on Venereal Disease Control, or nearly twice the figure of 1935-1936.³⁷

During 1937-1938 a sum of \$44,640 was originally appropriated for this purpose, but supplementary estimates amounting to \$35,000 was voted for 1937-1938 making the total expenditures in the neighbourhood of \$79,640 for that fiscal year.

(37) British Columbia, Public Accounts.

For the fiscal year 1938-1939 an estimate of \$82,344 has been allotted to Venereal Disease Control work carried out by the division of Venereal Disease Control.

A steady programme of better facilities for curative, preventive, and educative purposes has been inaugurated since October 1, 1936, when the new Division was set up.

The Victoria and Vancouver clinics have been increased and modernized. Specialists in neuro and congenital syphilis have been added to the staff of the two central clinics. Public interest in the problem has been aroused by an intensive educational campaign with extensive literature on facts concerning venereal diseases. Larger attendance at the clinics has been another result of the educative campaign and improved facilities.

In addition to the clinics at Vancouver and Victoria the Venereal Disease Division has established or is about to establish travelling clinics in other strategic points in the Province.

A travelling clinic was established at Nanaimo on December 1, 1937, which gives treatment and disseminates literature to the northern parts of Vancouver Island. Another clinic was established at Trail on December 1, 1937, which is charged with the duties of providing in the Kootenays the same facilities as given by the Nanaimo clinic. A clinic is being established at New Westminster. In all these clinics there is at least one consulting physician and usually another assistant.

British Columbia is alive to the seriousness of the venereal disease problem in the Province. It is being recognized as an equal to tuberculosis as a scourge.

HEALTH TRENDS.

Notwithstanding all that is being done to maintain the health of the people, the situation is far from the ideal. Hospital facilities in the Province are inadequate to meet the requirements of those needing hospitalization. Proper medical attention is still beyond the reach of many of our people. There are many ways in which medical services could be extended with advantage. In view of this, there is no doubt that still greater claims will be made on the Government for services in this respect in the future.

WORKMEN'S COMPENSATION (ADMINISTRATION AND LIABILITY).

A Workmen's Compensation Act was passed in 1902 which gave a statutory expression to the common law right of the worker to claim damages from his employer in the event of an accident arising from his work. Eventually this Act proved to be inadequate, and after investigations of similar legislation in other Provinces and in the United States, a new Act was passed in 1916. In general this Act applies to industrial workers engaged in production of commodities but not to clerical workers, travelling salesmen, members of the family of the employer, etc. In case of injury by accident, compensation is paid by the Board out of an accident fund. Industries are divided into different classes, depending on the degree of hazard attached to their operations, and in this way dangerous industrial undertakings are assessed more. The accident fund is created by a levy on the employer in the form of an assessment made from time to time rated upon the pay-roll. One cent a day is also deducted from the wages of employees and forwarded to the Board to be paid into the accident fund and used for medical aid. Under the Act the Provincial Government is assessed on account of certain of its permanent employees.

CHARITABLE SOCIAL SERVICES.

Under this heading the following are included:

- Welfare Branch
- Destitute Poor and Sick
- Burial of Indigents
- Grants to Aid Societies
- Provincial Home
- Provincial Home for the Aged
- Old Age Pensions
- Mothers' Pensions (Mothers' Allowances)
- Superannuation (administration and liability)
- Industries for Blind Adults
- Miscellaneous.

The trend of expenditures with regard to these services is similar to that of the general and protective, and medical services, and is shown in the following Table:³⁸

Year.	Provincial Expenditure.	Rate of Increase.
1876	\$14,214.80	
1886	1,713.00	.08
1896	13,292.71	7.70
1906	44,251.06	3.30
1916	138,985.10	3.20
1926	857,062.17	6.20
1936	1,635,825.81	1.90

At first the rate of increase was moderate, but prior to the Great War there was a sudden expansion which continued throughout the twenties and is still increasing, but not at such a rapid rate. During the early years of the Province's history, there were few social services as we know them today. However, that does not mean that no responsibility for these services was accepted by the Government. The Government had, at that time, assisted mainly in contributions to private charitable institutions and to charitable associations. The Government attempted to aid charitable organizations in 1871 by facilitating their incorporation under the provisions of a new "Charitable Associations Act" (*see Consolidated Ordinances of 1871, No. 165*). This was just before Confederation. The preamble stated "it is expedient that the establishment and maintenance of Charitable, Philanthropic and Provident Associations should be encouraged." The policy seems to have been to encourage private charity to do what is now considered a public duty. This policy was quite in keeping with the political and social philosophy of the time, and the burden of the social services had not then become too great to be handled by private institutions with government assistance. Within incorporated areas the poor and distressed were the responsibility of the municipality. Later, two new forms of public charity had arisen, namely, the burial of indigent persons, and contributions to the poor and sick. By 1893 the Provincial Home had been established.

Assistance to the destitute, poor and sick is one of the oldest of the costs of social services. It has not increased very rapidly as organized and permanent schemes have been developed which have taken over many types of cases

(38) See Table 82.

which, in the last century, would have been borne by the payments for the destitute, poor and sick. (See Table 83.) As in the case of the burial of indigents the Province is responsible only for those in extra-municipal territory, with certain exceptions.

The Provincial Home is situated at Kamloops and provides a home for destitute persons who are residents of the Province but not entitled to support through any other agency or means. The original Statute provided that:

- "Any adult, other than an Indian or an Asiatic, who
- (a) has been a bona fide resident of the Province for a period of at least seven years immediately preceding the time of application for admission and is domiciled elsewhere than in a municipality, and
 - (b) is destitute or possessed of means insufficient to obtain the necessaries of life, and
 - (c) is unable to maintain himself by his own exertions by reason of chronic illness, debility, or other continuing physical inability, and
 - (d) is not legally entitled to be maintained by any other person who, residing in the Province, is able to maintain such person"³⁹

might apply for admission on furnishing affidavits. In addition, the Lieutenant-Governor in Council might admit other cases that were meritorious, provided that such a person was not a habitual drunkard, lunatic, idiot or any person having a contagious, infectious or loathsome disease.⁴⁰ Applicants with slight means were required, as a precedent to their admission, to transfer such money or property to the Crown for the use of the institution.⁴¹ Applicants might be admitted from municipalities on the request of the mayor or reeve, but such applicants had to be eligible (as previously defined), and the municipality was made liable for 75 per cent. of the cost of such cases.⁴² In all important particulars this Act remains unchanged to this day.

The Provincial Home for the Aged was established in 1936 in part of the buildings formerly used by the Boys Industrial School at Coquitlam. About 100 senile patients were transferred from the Mental Hospital at Essondale to this Home.

The following Table shows the average monthly population in public institutions in the Province.

AVERAGE MONTHLY INSTITUTIONAL POPULATION.⁽¹⁾

Institution.	1934.	1935.	1936.
Home for Incurables	165	165	158
Boys' Industrial School	60	48	54
Girls' Industrial School	27	31	34
Mental Hospitals	3,014	3,112	3,195
Home for the Aged (2)			40 (4)
T.B. Institutions (3)	324	322	526
Provincial Home	129	139	132
Totals	3,719	3,817	4,139

- (1) Monthly reports from the various branches.
- (2) Opened May, 1936.
- (3) 1936 figure includes Vancouver and Victoria units.
- (4) 8 months only.

- (39) British Columbia, Statutes, 1893, Chapter 35, section 7.
- (40) *Ibid.*, section 8.
- (41) *Ibid.*, section 10.
- (42) *Ibid.*, section 12.

OLD AGE PENSIONS.

By the "Old Age Pensions Act" of 1927 a joint system of non-contributory old age pensions co-operatively financed by the Dominion and the Province was established.⁴³ The Dominion grant for this activity is continuous, as contrasted with certain other grants which were temporary in character and authorized for limited periods. It is allocated as a percentage reimbursement of Provincial pension payments. During the fiscal year 1936-37, 10,824 old age pensions were being paid in British Columbia. The cost of administration is borne by the Province, and in British Columbia this is carried out under the direction of the Workmen's Compensation Board.

Table 51 shows the total amount expended in British Columbia for old age pensions, showing the shares paid by the Provincial and Dominion Governments. Table 52 shows the average pensions paid in different Provinces, together with the number of pensioners and relation of these to the general population. Table 53 shows the number of pensioners in each province in receipt of monthly old age pensions, fiscal years 1927-28 to 1936-37, inclusive.

TABLE 51.

STATISTICS OF EXPENDITURE IN BRITISH COLUMBIA FOR OLD AGE PENSIONS
AND THE DOMINION'S SHARE OF EXPENDITURE IN ALL CANADIAN PROVINCES.
FISCAL YEARS 1927-28 TO 1936-37, INCLUSIVE.

Year (Fiscal).	Total Expenditure in British Columbia for Old Age Pensions.	Provincial (British Columbia's) Share of Expenditure.	Dominion Contribution to British Columbia for Old Age Pensions.	Dominion Contribution to All Provinces for Old Age Pensions.
1927-1928	\$271,720.43	\$140,268.42	\$131,452.01	\$131,452.01
1928-1929	809,986.60	398,514.13	399,340.95	832,686.78
1929-1930	1,003,898.97	473,528.25	357,801.04 (1)	1,537,173.55
1930-1931	1,238,297.55	562,354.43	580,847.45 (2)	5,658,142.52
1931-1932	1,456,879.33	512,779.69	1,032,840.50 (3)	10,032,409.87
1932-1933	1,602,079.42	375,401.61	1,176,242.75	11,512,542.73
1933-1934	1,769,156.56	409,252.02	1,304,144.08	12,313,594.93
1934-1935	2,000,737.44	453,648.53	1,478,313.72	14,942,459.36
1935-1936	2,240,914.68	510,208.31	1,672,830.60	16,764,483.87
1936-1937	2,471,225.00	555,376.84	1,823,267.82	21,149,351.52
Totals	\$14,864,895.98	\$4,391,332.23	\$9,957,074.92	\$94,874,297.14

NOTE.—Difference between the sum of the Provincial (British Columbia) and Dominion share of expenditure and the total expenditure in British Columbia for Old Age Pensions represents the payments by other Provinces to British Columbia as their share of the payment of pensions for pensioners who have resided in their Province for part or whole of period of twenty years immediately preceding the receipt of a pension by the pensioners.

Dominion Contribution to British Columbia: 50% of expenditure from 1927 to October 31, 1931; thereafter, to March 31, 1937, 75%.

(1) March 31 to December 31, 1929.

(2) January 1 to December 31, 1930.

(3) January 1, 1931, to March 31, 1932.

SOURCES: Canada, Auditor-General's Report.

British Columbia, Public Accounts.

(43) British Columbia, Department of Labour Report, 1927, p. 90.

TABLE 52.
STATISTICAL SUMMARY OF OLD AGE PENSIONS IN CANADA BY PROVINCES, AS AT MARCH 31, 1937.

Province.	Date Provincial Enabling Act Effective.	Number of Pensioners.	Average Monthly Pension.	Percentage of Total Population in Receipt of Pensions. (1)	Percentage of Population Over 70 Years of Age in Receipt of Pensions. (1)	Percentage of Total Population Over 70 Years of Age. (1)
Alberta	Aug. 1, 1929	9,100	18.13	1.18	50.55	2.33
British Columbia	Sept. 1, 1927	10,824	19.29	1.44	40.09	3.60
Manitoba	Sept. 1, 1928	11,559	18.64	1.63	52.54	3.09
New Brunswick	July 1, 1936	9,803	13.39	2.25	54.46	4.14
Nova Scotia	Mar. 1, 1934	13,456	14.49	2.51	49.84	5.03
Ontario	Nov. 1, 1929	55,950	18.19	1.52	34.54	4.39
Prince Edward Island	July 1, 1933	1,768	10.53	1.92	30.48	6.30
Quebec	Aug. 1, 1936	22,620	18.63	.74	23.81	3.07
Saskatchewan	May 1, 1928	11,436	16.51	1.23	51.98	2.36
North-West Territories	Jan. 25, 1929	8	19.10	.08	8.00	1.00

(1) These percentages are based on the estimated population of the respective Provinces for June 1, 1936, by the Dominion Bureau of Statistics.
SOURCE: Canada, Department of Labour, The Labour Gazette, May 1937, p. 513.

TABLE 53.
NUMBER OF PENSIONERS IN EACH PROVINCE IN RECEIPT OF MONTHLY OLD AGE PENSIONS, FISCAL YEARS
1927-28 TO 1936-37, INCLUSIVE.

Province.	Date Provincial Enabling Legis- lation Effective.	1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	1932-33.	1933-34.	1934-35.	1935-36.	1936-37.
Alberta	Aug. 1, 1929	—	—	2,017	3,287	4,382	5,244	6,286	7,151	8,086	9,100
British Columbia	Sept. 1, 1927	2,712	3,867	4,576	5,557	6,486	7,128	8,095	9,076	10,011	10,824
Manitoba	Sept. 1, 1928	—	3,953	5,104	5,834	7,190	8,280	9,236	10,229	10,862	11,559
New Brunswick	July 1, 1936	—	—	—	—	—	—	—	—	—	9,803
Nova Scotia	Mar. 1, 1934	—	—	—	—	—	—	6,509	12,241	13,044	13,456
Ontario	Nov. 1, 1929	—	—	26,370	37,334	41,300	42,853	46,281	50,771	54,040	55,950
Prince Edward Island	July 1, 1933	—	—	—	—	—	—	1,258	1,439	1,659	1,768
Quebec	Aug. 1, 1936	—	—	—	—	—	—	—	—	—	22,620
Saskatchewan	May 1, 1928	—	2,768	4,482	5,913	7,643	8,195	9,203	10,137	10,706	11,436
North-West Territories	Jan. 25, 1929	—	—	4	5	5	5	5	7	7	8
Totals		2,712	10,588	42,553	57,930	67,006	71,705	86,873	101,051	108,415	146,524

SOURCES: Canada, Department of Labour, Annual Reports.
Canada, Public Accounts, 1935-36.
Canada, Department of Labour, The Labour Gazette, May 1937, p. 513.

The financing of old age pensions would appear to be the proper responsibility of the Dominion Government. There appears to be a greater concentration of the older age groups in the less wealthy Provinces. This practically necessitates national expenditure if a pension scheme is to be provided throughout the Dominion on a comparable scale in all Provinces.

There is also a problem arising from the tendency for the members of the older age groups to emigrate from the harsher to more temperate climates. This is particularly evident in British Columbia, although the present system of refunds as between the Provinces would appear to meet the situation.

Under this scheme the Dominion Government undertook to bear one-half of the expenditures made by the various Provinces to needy persons over 70 years of age. In 1931 the Dominion share was increased to 75 per cent. Inter-Provincial responsibility is determined by the length of time, during the 20 years prior to receipt of the pension, that the recipient was in each Province.

The following Table, showing sums paid by British Columbia to other Provinces, indicates the trend of movement of persons in this category to British Columbia.

TABLE 54.

A. FROM BRITISH COLUMBIA TO OTHER PROVINCES.

Fiscal Year.	Number of Persons.	Amounts Paid to Other Provinces.
1930-1931.....	310	\$10,904.91
1931-1932.....	392	12,043.65
1932-1933.....	460	8,445.52
1933-1934.....	510	9,254.92
1934-1935.....	639	10,944.22
1935-1936.....	681	11,796.24
1936-1937.....	720	13,280.60
Total.....	---	\$76,670.06

B. FROM OTHER PROVINCES TO BRITISH COLUMBIA.

Fiscal Year.	Number of Persons.	Amounts Paid to British Columbia.
1930-1931.....	1,443	\$66,510.17
1931-1932.....	1,774	66,601.83
1932-1933.....	1,832	51,314.37
1933-1934.....	2,254	55,749.19
1934-1935.....	2,774	68,752.69
1935-1936.....	3,002	80,170.33
1936-1937.....	3,646	92,579.54
Total.....	---	\$481,678.12

SOURCE: Information supplied by E. S. H. Winn, Esq., Chairman, Workmen's Compensation Board.

MOTHERS' ALLOWANCES.

A Commission on Health Insurance and other matters which was appointed in 1919 reported strongly in favour of comprehensive legislation to remove the disabilities of mothers left to care for their children without the help or the support of their husbands, or of their families. It was considered that mothers engaged in rearing small children are rendering an important service to the state; consequently, when deprived of the normal means of support,

they become a responsibility of the state. A "Mothers' Pensions Act" was passed by the Provincial Legislative Assembly in 1920.⁴⁴

A mother was to be any indigent person who was the mother of a child or children under 16 years of age and who was

- (a) a widow; or
- (b) a married person whose husband was an inmate of a penal institution or public hospital for the insane; or
- (c) a woman whose husband was unable to support her or her family by reason of sickness, accident or disability arising while his wife was resident in the Province; or
- (d) a deserted wife; or
- (e) any other person whose case, in the opinion of the Superintendent, was a proper one for assistance under the provisions of the Act.⁴⁵

No mother was to be eligible unless she was

- (a) a British subject
- (b) had resided in British Columbia 18 months prior to application
- (c) had a child under 16 years of age living with her
- (d) was without necessary means to support her children.⁴⁶

The Superintendent might not approve an application unless he believed

- (a) "the applicant is a fit and proper person to have the custody of her child or children; and
- (b) "that it is in the best interests of her child or children that the applicant should have the custody of them."⁴⁷

Allowances were not to exceed \$42.50 a month to the mother of one child under 16, with an additional maximum allowance of \$7.50 extra for each additional child under 16 years of age residing with her.⁴⁸ Payments were to cease when the beneficiary ceased to reside in the Province, remarried, or when other requirements of eligibility ceased to exist.⁴⁹

Since 1920 there have been frequent amendments to the Act. The question of eligibility has been implemented by more detailed clauses. In 1924 it was provided that

"The fact that a woman, in addition to necessary household furniture and wearing apparel, is possessed of personal property not exceeding five hundred dollars in value, and of real property which she uses as a home not exceeding fifteen hundred dollars in assessed value above the encumbrances thereon, shall not of itself prevent her being classed as an indigent. . . ."⁵⁰

Later this amount was slightly increased, both in 1931 and 1936.⁵¹ Another important innovation was the provision that a mother might receive an additional allowance in the case of her husband being totally disabled and living with her.⁵²

On the death of the mother, or on her being found undesirable and thus not fitting to have custody of the child, a pension might be paid to a grandmother, aunt, or elder sister of the child or children, providing all the requirements of eligibility were met.⁵³

(44) British Columbia, Statutes, 1920, Chapter 61. See also 1937, Chapter 53.

(45) *Ibid.*, section 2.

(46) *Ibid.*, section 4.

(47) *Ibid.*, section 5.

(48) *Ibid.*, section 6.

(49) *Ibid.*, section 7.

(50) *Ibid.*, 1924, Chapter 33, section 2 (5).

(51) *Ibid.*, 1931, Chapter 42, section 2 (2), and also *Ibid.*, 1936, Chapter 38, section 3.

(52) *Ibid.*, section 5.

(53) *Ibid.*, section 8.

The following Table shows the net expenditure by the Province for mothers' pensions, the number of recipients of pensions, and the number of dependents (other than the recipients) benefited. Nearly all of the latter are, of course, children, but a few represent totally incapacitated husbands.

TABLE 55.
DETAILS OF MOTHERS' PENSIONS OPERATIONS.

Year.(1)	Expenditure.	Case Load.(2)	No. of Dependents.(2)
1921.....	\$273,575		
1922.....	487,888	771	1,978
1923.....	414,227	785	1,990
1924.....	423,233	847	2,240
1925.....	463,669	943	2,544
1926.....	518,471	986	2,723
1927.....	612,645	1,100	3,050
1928.....	628,600	1,233	2,757
1929.....	677,510	1,370	3,028
1930.....	759,698	1,468	3,229
1931.....	816,272	1,568	3,295
1932.....	842,977	1,547	3,213
1933.....	779,640	1,514	2,274
1934.....	621,502	1,436	3,147
1935.....	589,622	1,410	2,922
1936.....	616,555	1,485	3,026
1937.....	682,588	1,567	3,191

(1) Years ending March 31.

(2) As at Sept. 30 (1921-32) and as at March 31 (1933-37).

SOURCE: British Columbia, Department of the Provincial Secretary, Records of the Welfare Branch.

During recent years the increase in the case load is approximately proportionate to the increase in the population of the Province. The expenditure figures refer only to the Provincial Government. In 1932, effective 1933, the Mothers' Pensions Act was amended and municipalities became responsible for 50 per cent. of the mothers' pensions paid to their residents. This change was not imposed from April 1, 1937.

SUPERANNUATION.

A Superannuation Act was passed in 1921.⁵⁴ The Act included in its scope regular employees of the Provincial Government, the municipalities, and of the school boards; provision was also included whereby employers and employees of commercial and other organizations might voluntarily participate in the scheme.

The employee under the scheme contributes 4 per cent. of his salary each month towards the Superannuation Fund. If the employee is over 35 years of age, he may request that a greater portion of his salary be deducted within certain limits embraced in a schedule, but at no time may more than 8 per cent. be deducted.⁵⁵ Each employer (including the Crown) must pay into the Fund an amount equal to the contributions of its employees.⁵⁶ The Superannuation Fund is held in trust by the Minister of Finance and is to be part of the Consolidated Revenue Fund. Accounts held in the Superannuation Fund

(54) *Op. cit.*, 1921, Chapter 60.

(55) For Civil Servants ordinary deductions range from two and one-half per cent. to ten per cent.

(56) British Columbia, Revised Statutes, 1924, Chapter 247, sections 5, 6, and 7.

shall be credited with interest (5 per cent. originally).⁵⁷ Under certain circumstances employers are required to pay a contribution equal to one per cent. of their pay-rolls, this amount being paid into a reserve, to meet additional allowances which may be granted to certain contributors in respect of their services as employees, prior to the time at which the Act became applicable to them.⁵⁸ This provision is rapidly losing its importance and few employers are still required to pay. In addition, contributors may make special payments into the Superannuation Fund, upon which sums interest is to be allowed, but the employer has not to make an extra dollar for dollar contribution.⁵⁹

Superannuation Allowances may be drawn after a certain period of time. The amount due the contributor consists of the mandatory contributions that he has made, plus a dollar for dollar contribution by his employer, plus the interest allowed on these amounts, plus any additional voluntary contributions the employee may have made together with accrued interest. Thus, an employee within the scope of the Act, can pay in as much as he wants and interest is allowed on these contributions; in addition, the employer must pay on his behalf a similar amount, with limitations of between 4 and 8 per cent. of the contributor's salary, upon which interest is also allowed. Various plans are available for settlement.

Should a person resign, retire or die prior to being granted a superannuation allowance, the amount standing to his credit (that is, everything but the payments made by his employer) shall be paid him or his legal representatives.⁶⁰

The cost to the Provincial Government on account of this Act is the cost of administering the Fund, the dollar for dollar contribution on account of the Crown's employees working for the Government, and the one per cent. pay-roll tax on account of certain cases. The interest payment should not represent a net cost.

Prior to 1921 it was the policy of the Provincial Government to make special legislative appropriations for employees with good records and with a record of long service. Such sums appear under (Charitable) Miscellaneous in Tables 83 and 88.

INDUSTRIES FOR BLIND ADULTS.

Since 1923 certain small payments were made towards industries for blind adults.

MISCELLANEOUS.

This includes charitable items generally, such as special payments for widows of distinguished civil servants of the Provincial Government, and prior to 1921, for superannuation. A number of other payments are included under this item.

During the immediate post-war years, the Provincial Government made very large capital expenditures (together with certain current expenditures for administrative purposes) on behalf of the Soldiers' Land Act, Land Settlement, and Better Housing. Today considerable Balance Sheet Assets appear, but it is generally recognized that most of the capital expenditures have been lost.

(57) *Op. cit.*, section 11.

(58) *Ibid.*, section 13.

(59) *Ibid.*, section 14.

(60) *Ibid.*, section 15.

The total amount paid in connection with these three projects (largely charitable) during the period April 1, 1918, to March 31, 1928, was⁶¹

Soldiers' Land Act.....	\$4,866,760.43 ⁶²
Land Settlement Board.....	6,348,115.91
Better Housing.....	1,697,300.00

An approximate idea of the degree of public dependency in British Columbia can be obtained from the following figures for May, 1937:

Unemployment relief.....	65,200
Poor relief, Provincial.....	1,600
Poor relief, Municipal.....	4,000
Neglected and dependent children.....	700
Mothers' pensions.....	5,200
Old age pensions.....	11,000
Inmates of mental hospitals.....	3,400
Inmates of tuberculosis institutions.....	600
Inmates of penitentiaries, etc.....	900
Indigent patients in general hospitals.....	1,400
Inmates of other provincial institutions.....	400
War veterans' allowances and unemployment assistance	10,000 ⁶³
Total	104,400

Excluding those in this list who are a responsibility of the Dominion Government, it would appear that from 14 to 15 per cent. of the population of British Columbia were public dependents at this time. It will be noted that unemployment relief is responsible for slightly over half of the total.

UNEMPLOYMENT RELIEF.

Expenditures for the relief of unemployment have been at different times a serious cost ever since the termination of the European War of 1914-1918. The problem has been particularly serious during the past seven years and this one social cost has been greater than that of any other group of social services except possibly education. Table 56 shows the cost of relieving unemployment from 1920-21 to 1936-37.

Under the Constitutional distribution of powers between the Provinces and the Dominion Government, unemployment became primarily a provincial and municipal responsibility. In recent years, however, unemployment has been so wide-spread in Canada that it has constituted a matter of "national concern," and it has been necessary for the Dominion Government to come to the assistance of the Provincial Governments to enable them to discharge their constitutional responsibilities.

From 1920 to 1926 and again from 1930 to date the Federal Government has made payments to the Provinces in various forms. The national character of the problem has been admitted by the appointment of a National Employ-

(61) British Columbia, Public Accounts.

(62) Includes small charitable payments.

(63) Figures cited by the Director of Social Welfare in British Columbia in a Paper presented to the Fifth Canadian Conference on Social Work at Ottawa on June 1, 1937, and entitled "Public Welfare Organization in Canada—Dominion and Provincial," page 4, Legislative Library.

ment Commission by order-in-council in May, 1936, to advise the Dominion Government on employment matters. In the earlier stages of the depression unemployment relief was considered to be a temporary problem; consequently policies were decided from year to year. The policy which was adopted in the earlier years in British Columbia was for the Dominion to pay one-third of the cost of relief in organized districts, the remainder being shared equally between the Provincial Government and the municipalities, while in the extra-municipal areas the cost was borne equally by the Dominion and Provincial Governments.

TABLE 56.

JOINT DOMINION-PROVINCIAL-MUNICIPAL EXPENDITURES IN BRITISH COLUMBIA FOR THE PURPOSE OF RELIEVING UNEMPLOYMENT, 1920-21 TO 1936-37.

(In dollars.)

Year.	Municipal. (1)	Provincial. (2)	Sub-total.	Dominion. (3)	Grand Total.
1920-21	Unknown	56,932.55	56,932.55	91,506.38	148,438.93
1921-22	"	244,514.73	244,514.73	103,818.91	348,333.64
1922-23	"	42,025.48	42,025.48	228,094.63	270,120.11
1923-24	"	"	"	"	"
1924-25	"	144,141.33	144,141.33	"	144,141.33
1925-26	"	8,321.76	8,321.76	"	8,321.76
1926-27	"	"	"	"	"
1927-28	"	"	"	"	"
1928-29	"	"	"	"	"
1929-30	"	"	"	"	"
1930-31	920,884.04	991,889.19	1,912,773.23	259,040.82	2,171,814.05
1931-32	1,452,118.95	3,526,689.99	4,978,808.94	3,427,564.54	8,406,373.48
1932-33	1,195,495.00	3,613,468.00	4,808,963.00	4,079,004.66	8,887,967.66
1933-34	1,073,514.24	3,625,854.77	4,699,369.01	3,398,491.39	8,097,860.40
1934-35	1,268,402.12	5,469,133.34	6,737,535.46	3,176,156.16	9,913,691.62
1935-36	1,474,797.99	7,575,490.68	9,050,288.67	2,276,931.41	11,327,220.08
1936-37	848,800.38	5,645,378.62	6,494,179.00	3,237,450.72	9,731,629.72
Totals	8,234,012.72	30,943,840.44	39,177,853.16	20,278,059.62	59,455,912.78

(1) SOURCE: British Columbia: Department of Finance, Treasury Branch, Special Statement.

(2) SOURCE: British Columbia: Public Accounts, 1920-21 to 1936-37.

(3) SOURCE: Canada: Report of the Auditor-General, 1920-21 to 1936-37.

The first Unemployment Relief Act was passed in 1930, and the sum of \$20,000,000 was appropriated by the Dominion Parliament to be disbursed by the Governor-in-Council to the provinces according to the agreements entered into with the Provincial Governments. Part of this was for direct relief and part for assistance in relief works. In financing municipal relief works the Dominion Government agreed to contribute one-quarter of the costs provided the Province would pay an equal share. The remainder was borne by the municipal authorities. In the case of Provincial public works the Dominion Government agreed to pay fifty per cent. of the costs. Under this agreement British Columbia was allotted the sum of \$900,000 up to March 31, 1931, but this was supplemented to the extent of \$200,000.

The Unemployment Relief Acts of 1931, 1932, and 1933 were similar in character with the exception that no definite sum was allotted in the Acts, but an arrangement was made which empowered the Governor-in-Council at his discretion to pay out of the consolidated revenue fund such sums as were deemed expedient for "relieving distress, providing employment and maintaining within the competence of Parliament the peace, order and good government throughout Canada." In 1933, however, a maximum limit was set for money to be expended on direct relief.

The Unemployment Relief Act of 1936, in contrast to its predecessors, contained the provision that expenditures for relief purposes were to be made "out of moneys appropriated by Parliament." In connection with the administration of these Acts, British Columbia entered into an agreement with the Dominion Government in August, 1931, by which the Federal Government was to contribute one-third of the cost of direct relief in municipalities, and one-half in extra-municipal areas. In addition the Dominion Government agreed to pay 50 per cent. of the labour and material for approved relief undertakings within the Province. The Provincial Government undertook to bear the cost of 25 per cent. of the labour for approved relief projects carried out in municipal areas. The single unemployed were to be the joint responsibility of the Provincial and Dominion Governments on a fifty-fifty basis.

To relieve the congestion of unemployed young men in British Columbia's cities and municipalities arising from the large influx of individuals from other parts of Canada, the Dominion and the Province agreed that single men and transients should, as far as possible and practicable, be moved from urban centres to camps where relief works would be provided. Financial conditions interrupted this programme and made provision of work projects impossible, and direct relief became the principal form of assistance. Single men, however, were retained in the unemployment relief camps, built by the Province, where food, clothing, and shelter were provided. In November, 1932, the Dominion Government undertook to provide the whole cost of relief—apart from expenses of administration—of single, homeless persons in urban centres who were "physically fit" on registration for support in camps. An Honorary Commission was set up to administer the federal appropriations and to accept and send those who registered for relief to the camps which were "equipped and maintained" by the Province. The maximum amount provided by the Dominion for the support of these men was forty cents per day, which was to include food, fuel, clothing and shelter. This Commission also had power to send such men as were suitable to work on farms. Single, homeless persons placed on farms were to be paid five dollars per month.

During the fiscal year 1933-1934 the Dominion contributed one-third of the cost of direct relief in municipalities for municipal residents, that is, those other than homeless persons and transient families, the remaining two-thirds being shared equally by the Provincial and municipal authorities. Direct relief expenditures for transient families in municipalities were shared equally by the Provincial and Dominion Governments.

From August 1, 1933, to March 31, 1934, single homeless women in municipalities were supported on a fifty-fifty basis by the Dominion and Provincial Governments at a maximum cost of forty cents per day. Single homeless men in municipalities were supported on a similar basis as municipal residents, or one-third by the Dominion and two-thirds shared equally by the Provincial and municipal authorities. This last group did not include those receiving relief in urban centres under the Honorary Commission. Direct relief to all the unemployed in extra-municipal areas during 1933 and 1934 was on a fifty-fifty basis by the Dominion and Provincial Governments. The work of the Honorary Commission for single homeless men ceased at the end of June, 1933, and the Dominion Government took over the administration of the established Provincial relief camps for single homeless persons and placed them under the control of the Department of National Defence.

Work was carried on by agreement between the Dominion and Provincial Governments on the east leg of the Golden-Revelstoke section of the Trans-Canada Highway.

In the Relief Act of 1934 a definite change was made in the method of making the Dominion contributions to the assistance of the Provinces, in that a monthly grant was made for direct relief which took the place of the contributions to Provincial and municipal direct relief expenditures. As a result of this change it became necessary for the Provincial and municipal authorities to readjust their respective contributions for direct relief in municipal areas, the Province agreeing to contribute 60 per cent. of the direct relief and the municipalities being responsible for the remaining 40 per cent. In addition the Province agreed to pay the complete cost of transient and Provincial cases residing within the municipalities. Table 57 shows the monthly Grant-in-Aid to the Province of British Columbia for direct relief by the Dominion Government, August 1, 1934, to November 30, 1937.

In the agreements signed between the Provincial and Dominion authorities under the Relief Act of 1934 the Dominion contributed 50 per cent. of the amounts expended by the Provinces on highways designated by the Provinces and approved by the Federal Government as part of the Trans-Canada Highway.

A Farm Relief Settlement Scheme was entered into by the Province of British Columbia with the Dominion in 1932 by which \$500 per family was provided, one-third of which was to be paid by the Dominion and the remainder equally by the Province and municipality concerned. Little advantage, however, was taken of this agreement in British Columbia, a total of fifty-one

TABLE 57.
MONTHLY GRANT-IN-AID TO THE PROVINCE OF BRITISH COLUMBIA FOR
DIRECT RELIEF BY THE DOMINION GOVERNMENT.(1)
AUGUST 1, 1934, TO NOVEMBER 30, 1937.

Period of the Grant.	GRANT-IN-AID.	
	Monthly (in Dollars).	Percentage of Original Grant-in-Aid.
August 1, 1934–November 31, 1935	150,000	100%
December 1, 1935–March 31, 1936	262,500	175%
April 1, 1936–June 30, 1936	223,125	149%
July 1, 1936–June 30, 1937	150,000	100%
July 1, 1937–September 30, 1937	120,000	80%
October 1, 1937–November 30, 1937	115,000	77%

(1) The Grant-in-Aid as a Dominion policy of sharing the direct relief costs of the provinces was instituted at August 1, 1934, in place of the previous Dominion one-half or one-third share of provincial expenditures. It does not include Dominion Government contribution towards work projects in British Columbia.

SOURCE: British Columbia: Department of Finance, Special Treasury Statement, December, 1937.

families, comprising 279 persons, having been placed on the land at the end of March, 1934, at a cost to the Dominion of \$6,604.33, at which time the plan was discontinued. Provision was made for further allowances to families then on the land. In March, 1937, forty-one families were still on the land under this scheme, comprising 224 persons, with a total cost to the Dominion of \$10,117.25. Table 58 gives the statistics of the Relief Land Settlement Plan in British Columbia as at March 31, 1934, 1936, and 1937.

During the summer of 1935 placer-mining and forestry camps for young men were inaugurated by the British Columbia Government. In these camps young unemployed men between the ages of 18 and 25 were given first-hand contact with the basic industries of the Province. These camps were financed out of the Dominion grants-in-aid and Provincial appropriations for unemployment relief.

Up to November 30, 1935, the Province of British Columbia paid 60 per cent. of the cost of relief given to municipal residents, the municipalities paying the other 40 per cent. In addition to these contributions the Province paid for the whole cost of transient and Provincial cases residing within the municipalities. On receipt of the increased grant-in-aid from the Federal Government at December 1, 1935, the Province passed on the greater part to the municipalities, assuming 80 per cent. of the cost of relief of municipal residents and continuing the full support of transients and Provincial cases in organized districts.

TABLE 58.

STATISTICS OF THE RELIEF LAND SETTLEMENT PLAN IN BRITISH COLUMBIA.⁽¹⁾

FISCAL YEARS ENDING MARCH 31, 1934, 1936, AND 1937.

Fiscal Year ending March 31.	Dominion Contribution.	No. of Settler Families.	No. of Individuals.
	Dollars.		
1934	6,604.33	51	279
1936	9,824.05	43	235
1937	10,117.25	41	224

(1) Not including expenditures which may have been made prior to March 31st, 1937, for which accounts have not been received, or if received have not been passed for payment.

SOURCE: Canada, Report of the Dominion Commissioner of Unemployment Relief, March 31st, 1934, 1936, and 1937.

In 1936 arrangements were made by which the Dominion Government agreed to contribute fifty per cent. of the cost of certain relief works and projects undertaken by the Provincial authorities. In British Columbia construction work on the Trans-Canada and Provincial Highways, and improvements in Stanley Park were undertaken. Fifty per cent. of persons employed at all times on these jointly financed projects were to be selected from those in receipt of relief. Since April, 1936, the Dominion Government has consistently reduced the grant-in-aid paid to British Columbia; in Table 57 the reductions are shown to October, 1937. The whole of these reductions was absorbed by the Provincial Government.

Forestry and placer mining camps were continued during the summer of 1936 and also in 1937. Table 59 shows the number of young men who have been employed in these camps.

The relief camps for single homeless unemployed persons were closed in the spring of 1936, and arrangements were made for the employment of a number of these in railroad work. Arrangements were also made to provide transportation for any of these men who were willing to work on the land. Provision was made for forestry and public works projects for the employment of young men. A system of deferred payment was instituted to insure that the men had some funds on hand at the completion of the project. On a rotation basis it is estimated that useful work was provided for about 6,000 men in these works.

TABLE 59.

STATISTICS OF YOUTH TRAINING PLANS CARRIED OUT AS RELIEF PROJECTS
IN BRITISH COLUMBIA.

(MONTHS OF JUNE TO OCTOBER, INCLUSIVE, 1935 TO 1937.)

FORESTRY TRAINING PROJECT.(1)

Year.	APPLICATIONS FOR TRAINING.	ENROLLED FOR TRAINING.	SECURED EMPLOYMENT.
	Number.	Number.	Number.
1935	930	509	111
1936	1,348	544	126
1937	1,009	585	81

PLACER MINING CAMPS.(2)

Year.	APPLICATIONS FOR TRAINING.	ENROLLED FOR TRAINING.	(3)
			Number.
1935	215	150	69
1936	586	306	81
1937	484	262	60

(1) Limited to young men between ages 20-25 in 1935, and 18-25 in 1936 and 1937.

(2) Ages of persons receiving training not restricted to forestry training limits.

(3) Grubstaked.

SOURCE: British Columbia: Department of Labour, Report of Administrator of Unemployment Relief, 1935 and 1936.

Statement: Office of Young Men's Forestry Training Projects, 1937.

Statement: Office of Unemployment Relief: *re* placer mining, 1937.

Agreements have been entered into under the Unemployment and Agricultural Assistance Act of 1937 for the continuation of joint Dominion-Provincial expenditures. The grants-in-aid are being continued, and the Federal Government has agreed to pay fifty per cent. of the cost of certain highway projects, forestry and placer mining camps for young men during the summer, and work camps for young homeless men during the winter of 1937-1938. Table 60 shows the number of persons employed on Relief Work Projects, which are financed by the Dominion and Provincial Governments in British Columbia, 1936-37 and 1937-38.

In Tables 61 to 65 the expenditures by the Province of British Columbia on Unemployment Relief for the fiscal years 1920-21 to 1925-26 inclusive, and the years 1930-31 to 1936-37 inclusive are shown. The amount paid by the Dominion Government to the Province of British Columbia and all Canadian Provinces as the Federal share of unemployment relief over the same period of years, and the expenditure by other Federal Departments on works, etc., under the Relief Acts of 1930 to 1936, inclusive, are shown also.

In Table 62 the total joint expenditure for unemployment relief of the Dominion and Provincial Governments in British Columbia is presented as shown by the Public Accounts and special statements of the Provincial Treasury officials for the fiscal years 1930-1931 to 1936-1937 inclusive.⁽⁶⁴⁾ The municipal

(64) The total amount of joint expenditure on unemployment relief in the Province of British Columbia by the three government authorities was as follows, from September, 1930, to September 30, 1937:

(a) Dominion Government	\$21,844,389.23
(b) Provincial Government	32,951,681.33
(c) Municipalities	8,546,544.48

SOURCE: British Columbia: Votes and Proceedings of the Legislative Assembly, November 10, 1937; Statement by Hon. John Hart, Minister of Finance.

share of unemployment costs is not included in this statement, but advances to municipalities by the Provincial Government from 1931 to 1937 amounted to \$2,107,773.38.

TABLE 60.

STATEMENT OF PERSONS EMPLOYED ON THE RELIEF "WORK" PROJECTS,
JOINTLY FINANCED BY THE DOMINION AND PROVINCIAL GOVERNMENTS,
IN BRITISH COLUMBIA.

(WINTER AND SPRING, 1936-37; WINTER OF 1937-38.)

Period.	Total Enrolments.	Reinstatements.	Number of Individuals. (1)
Season 1936-1937.....	7,225	1,917	5,308
Season 1937-1938	(2) 2,358	.....	.....

(1) Total Enrolments less number of reinstatements gives number of individuals.

(2) November 1st to December 1st, 1937. Enrolment up to date.

Work Projects include: (Winter)

1936-37.

Farm Improvement and Employment.

Forestry Development Project.

Public Work Projects.

1937-38.

Forestry Camps (Winter).

Public Work Camps.

Highway Construction.

Mining Trails.

National Parks.

Farm Improvement and Employment Plan.

SOURCE: British Columbia: Department of Labour, Unemployment Relief Branch, Special Statement supplied January 3rd, 1938.

TABLE 61.

UNEMPLOYMENT RELIEF.

EXPENDITURE BY THE GOVERNMENTS OF THE PROVINCE OF BRITISH COLUMBIA AND THE DOMINION OF CANADA IN BRITISH COLUMBIA; DOMINION CONTRIBUTION TO EXPENDITURES IN ALL PROVINCES, 1920-21 TO 1925-26, INCLUSIVE.

(In dollars.)

Fiscal Year.	EXPENDITURE BY BRITISH COLUMBIA GOVERNMENT.			EXPENDITURE BY DOMINION GOVERNMENT.	
	Direct Relief.	Public Works.	Total.	British Columbia. (2)	All Provinces. (2)
1920-1921.....	.....	56,932.55	56,932.55	91,506.38	341,831.68
1921-1922.....	201,560.22 (1)	42,954.51	244,514.73	103,818.91	498,321.18
1922-1923.....	42,025.48	.....	42,025.48	228,094.63	944,124.59
1923-1924.....	.....	.....	.....	.....	4,127.68
1924-1925.....	.....	144,141.33	144,141.33	.....	.....
1925-1926.....	.....	8,321.76	8,321.76	.....	77,474.56
Totals.....	.....	.....	495,935.85	423,419.92	1,865,879.69

(1) Breakdown as follows: \$55,485.15 (province's share $\frac{1}{2}$; under Dominion, Provincial, and Municipal Agreement)

145,031.48 (relief in cities)

1,043.59 (sundry persons)

Total \$201,560.22

(2) The Dominion Government made contributions of $\frac{1}{2}$ of the cost of unemployment relief in organized districts and one-half in unorganized districts on the understanding that the Provincial Government and municipality would bear the remaining cost in organized districts ($\frac{1}{2}$) and that the province would finance the remaining half in unorganized districts.

SOURCE: British Columbia: Public Accounts, 1920-21 to 1925-26, inclusive (fiscal years).

Canada: Auditor-General's Report, Dept. of Labour, Unemployment Relief, 1920-21 to 1925-26, inclusive.

TABLE 62.

TOTAL EXPENDITURE BY THE DOMINION AND PROVINCIAL GOVERNMENTS ON UNEMPLOYMENT RELIEF IN BRITISH COLUMBIA FOR THE YEARS 1930-31 TO 1936-37, FISCAL YEARS.⁽¹⁾

(In dollars.)

Fiscal Year.	Adminis- tration.	Public Health.	Provincial Works.	Municipal Works.	Municipal Direct Relief.	Provincial Direct Relief.	Non- contributory.	Special Commis- sion and Other Camp Costs in Excess of Dominion Contri- bution. (1)	Relief Land Settle- ment.	Farm Em- ploy- ment Plan.	Total.
1930-1931	3,963.13		738,439.11	732,787.28	376,193.52	25,449.14					1,876,832.18
1931-1932	52,286.28	46,136.79	3,670,592.09	1,956,223.20	1,026,546.70	794,988.65					7,555,773.71
1932-1933	115,994.75	96,577.45	109,401.53	246,867.33	2,653,367.83	2,604,815.80	565,892.72	97,282.65	568.78		6,490,769.44
1933-1934	137,081.39	120,191.15		3,208.86	2,909,805.00	2,820,456.05	424,651.56	69,671.98	14,715.14		6,499,781.13
1934-1935	188,898.14	176,082.40	846,423.50	4,004.53	3,060,594.70	2,861,878.60	585,998.38	42,452.96	2,996.11		7,769,329.41
1935-1936	220,518.44	250,532.13	2,509,687.10		3,222,553.31	2,740,726.66	880,561.74		1,822.57		9,826,401.95
1936-1937	238,985.40	252,160.34	2,440,708.58		3,433,025.59	2,396,692.79	594,234.32		190.75	10,027.54	9,370,025.31
Totals	957,727.53	941,680.26	10,328,252.00	2,943,091.80	16,682,086.55	14,245,907.69	3,051,338.72	209,407.59	20,283.35	10,027.54	49,388,913.13

(1) All provincial expenditures in connection with Special Commission *re* single homeless persons.

SOURCE: British Columbia: Public Accounts, 1930-31 to 1936-37, inclusive; Department of Finance, Special Statement.

TABLE 63.

EXPENDITURE BY THE PROVINCE OF BRITISH COLUMBIA ON UNEMPLOYMENT RELIEF (PROVINCIAL SHARE) FOR THE YEARS 1930-31 TO 1933-34, INCLUSIVE.⁽¹⁾

(In dollars.)

Classification of Expenditure.	1930-31.	1931-32.	1932-33.	1933-34.
Municipal Undertakings: Amount of provincial share of expenditure—				
Direct Relief	238,096.76	513,273.91	1,326,682.80	1,454,901.08
Public Works	366,393.64	620,936.55	53,641.68	1,604.42
Provincial Undertakings—				
Direct Relief	16,687.70	492,016.12	1,992,673.28	1,969,087.88
Public Health	—	46,136.79	95,567.16	120,191.15
Public Works	370,711.09	1,854,326.62	91,954.95	—
Camp Equipment rejected by Dominion	—	—	35,634.92	—
Forest Patrol	—	—	17,028.73	72,728.00
Relief Land Settlement Plan	—	—	284.48	7,342.24
Total, Provincial Share	991,889.19	3,526,689.99	3,613,468.00	3,625,854.77

NOTE.—Provincial expenditure listed above does not include advances (loans) to the municipalities to enable them to finance their share of unemployment relief.

(1) There are no strictly comparable statistics for the years 1934-35 to 1936-37 available because of a change in the method of expenditure under Dominion-Provincial Agreements since August 1, 1934. See Table 62 for comparable statistics, 1930-31 to 1936-37, inclusive.

SOURCE: British Columbia: Public Accounts; Summary Statement on Unemployment Relief, 1931-32 to 1933-34, inclusive, and Statement of British Columbia Treasury, 1930-31.

There has been a steady increase in the joint Dominion-Provincial expenditure in British Columbia from \$1,876,832.18 in 1930-1931 to \$9,826,401.95 in 1935-1936, with a slight decrease shown in 1936-1937 to \$9,370,025.31. Total expenditures over the period of seven years were \$49,388,913.13, with the Dominion supplying \$18,941,008.54, and the Province \$30,447,904.59, the Dominion figure excluding the federal contributions for the special Commission *re* single homeless persons of \$1,365,772.04. There have been considerable fluctuations in the Dominion share of these unemployment relief expenditures in British Columbia, of total expenditures on this account in 1931-1932 the Dominion contributed 53.32 per cent. (with an average contribution from 1930-1931 to 1933-1934 inclusive of 47.51 per cent.). This Dominion percentage of total Provincial expenditure does not include federal expenditures for single homeless persons in British Columbia in 1932-1933 and 1933-1934. The Dominion share of Unemployment Relief expenditures in British Columbia decreased to 22.91 per cent. of these joint costs in 1935-1936, with the Dominion percentage for the three years 1934-1935 to 1936-1937, inclusive, 30.73 per cent.

A breakdown showing the Province's share of relief expenditures in detail from 1930-1931 to 1933-1934 inclusive, which is not available thereafter because of the change in the Dominion method of grant to the Provinces, from a certain percentage of expenditures to a lump sum grant-in-aid, is shown in Table 63, which shows the importance of direct relief after 1932.

Table 64 shows the purposes for which Dominion relief expenditures were made in British Columbia.

Only preliminary Federal statistics are available for the Dominion payments to British Columbia under the Relief Act of 1936, during the fiscal year 1936-1937. These federal statistics are from the Annual Report of the Dominion Director of Unemployment Relief. They are given in Table 64. The

TABLE 64.

DISBURSEMENTS TO THE PROVINCE OF BRITISH COLUMBIA BY THE DOMINION GOVERNMENT UNDER THE UNEMPLOYMENT RELIEF ACTS OF 1930 TO 1936, INCLUSIVE, FOR THE FISCAL YEARS 1930-31 TO 1936-37, INCLUSIVE.

(In dollars.)

Fiscal Year.	Grants in Aid. (1)	Direct Relief. (2)	Single Homeless Persons.	Relief Camps.	Public Works.	Trans-Canada.	Relief Settlement Scheme.	Farm Employment.	Incurred under Relief Act, 1933. (4)	Detailed in 1932 Act, 1932-33.	Less Expenditure in Excess of Advances.	Yearly Total.	Cumulative Total.
1930-1931.....		34,087.38			221,759.95	3,193.49						259,046.82	259,046.82
1931-1932.....		789,582.60			2,325,133.81	312,828.13						3,427,564.54	8,468,651.36
1932-1933.....		1,923,419.48	789,397.52	276,443.94	1,009,654.45	104,489.79				21,897.52		1,079,004.56	7,765,616.02
1933-1934.....		2,615,637.71	744,409.29	5,472.89	106.38	1,379.63	7,087.95			21,397.22		3,398,491.39	11,164,104.41
1934-1935.....	1,200,000.00	991,840.23	362,511.11		3,606.70		1,026.10		707,172.02			3,176,136.16	14,340,257.57
1935-1936.....	2,250,000.00	172.95			25,000.00		1,726.66		31.80			2,275,331.41	16,615,588.98
(5) 1936-1937.....	2,476,687.50		94,969.11		(3)460,149.62	196,098.57		1,682.01				3,229,586.81	19,845,175.79
Totals.....	5,926,687.50	6,264,740.35	1,991,287.03	281,913.83	4,045,436.91	617,989.63	9,840.71	1,682.01	707,203.82	24,297.52	24,297.52	19,845,175.79	

(1) From August 1, 1934. (2) To July 31, 1934.

(3) Made up as follows: Provincial Highways, \$447,680.37; Municipal Works, \$12,469.29.

(4) Incurred under Relief Act, 1933, and paid under Clause 10 of the Relief Act, 1934.

(5) Fiscal year 1936-37: from report of Dominion Director of Unemployment Relief. Not including expenditures which may have been made prior to March 31, 1937, for which accounts have not been received, or, if received, have not been passed for payment.

SOURCE: Canada: Auditor-General's Report; Dept. of Labour, Expenditure under Relief Measures, 1930 to 1935; fiscal years 1930-31 to 1935-36. The Unemployment and Relief Assistance Act, 1936; March 31, 1937, Report of the Dominion Director of Unemployment Relief.

PROVINCIAL AND MUNICIPAL RELIEF EXPENDITURES IN BRITISH COLUMBIA.

DOMINION, PROVINCIAL, AND MUNICIPAL AUTHORITIES' SHARE OF THE COST OF PROVINCIAL AND MUNICIPAL RELIEF AND OTHER UNEMPLOYMENT RELIEF UNDERTAKINGS IN BRITISH COLUMBIA.

FISCAL YEARS 1920-21 TO 1925-26, INCLUSIVE, AND 1930-31 TO 1936-37, INCLUSIVE.

Fiscal Years.	DIRECT RELIEF IN MUNICIPAL (ORGANIZED) AREAS.					DIRECT RELIEF IN PROVINCIAL OR UNORGANIZED DISTRICTS.		PROVINCIAL (WORK AND NON-WORK) CAMPS.		DOMIN-ION SINGLE HOME-LESS CAMPS.	FARM SETTLEMENT SCHEME.			FARM LABOUR PLACEMENT TRANSPORTATION.		MUNICIPAL PUBLIC WORKS.			PROVINCIAL PUBLIC WORKS AND OTHER WORK PROJECTS.		
	Municipal Residents with Dependents.			Transient (Pro-vincial) Cases and Single Men.		Dom. %	Prov. %	Dom. %	Prov. %		Dom. (19) %	Dom. %	Prov. %	Munic. %	Dom. %	Prov. %	Dom. %	Prov. %	Munic. %	Dom. %	Prov. %
	Dom. %	Prov. %	Munic. %	Dom. %	Prov. %																
1921-22 } 1925-26 }	33½(1)	33½	33½	-----	-----	50	50	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1930-31	33½	33½	33½	-----	-----	50	50	-----	-----	-----	-----	-----	-----	-----	-----	-----	25	25	50	50(2)	-----
1931-32	33½	33½	33½	50	50	50	50	50	50(3)	-----	-----	-----	-----	-----	-----	-----	50	25(4)	25	50	50
1932-33	33½	33½	33½(5)	50	50	50	50	-----	-----	100(6)	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1933-34	33½	33½	33½	50	50(7)	50	50	-----	-----	100(8)	33½	33½	33½(9)	50	50(10)	-----	-----	-----	-----	-----	-----
1934-35	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Apr. 1-July 31	33½	33½	33½	50	50	50	50	-----	-----	100	33½	33½	33½(9)	-----	-----	-----	-----	-----	-----	50	50(13)
Aug. 1-Mar. 31	Grant-in-Aid (11)	60	40	Grant-in-Aid	100(11)	Grant-in-Aid	100(12)	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1935-36	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Apr. 1-Nov. 30	Grant-in-Aid	60	40	Grant-in-Aid	100(11)	Grant-in-Aid	100(12)	-----	-----	100	33½	33½	33½(17)	-----	-----	-----	-----	-----	-----	50(15)	50(15)
Dec. 1-Mar. 31	Grant-in-Aid (14)	80	20	Grant-in-Aid	100(11)	Grant-in-Aid	100	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
1936-37	Grant-in-Aid	80	20	Grant-in-Aid	100(11)	Grant-in-Aid	100	-----	-----	100 (to June 1, 1936) (16)	33½	33½	33½	-----	-----	-----	-----	-----	-----	50(18)	50(18)

BY FISCAL YEARS:—

1920-21 to 1925-26, inclusive.

- (1) The Dominion Government contributed 33½% of the cost of "emergency relief" in certain Municipalities and 50% of such costs in Unorganized Areas of British Columbia.

1930-31.

- (2) The Dominion Government contributed 50% of the cost of the Trans-Canada Highway Construction, but only 40% of the cost of other Provincial Highways built in British Columbia, as Federal-Provincial relief undertakings.

1931-32.

- (3) Provincial Relief Camps for Transients and Single Unemployed: Commenced as work camps (construction work with wages) and were replaced by Non-Work Camps where \$7.50 a month was paid for the men and food, clothing, shelter, and medical care provided in return for a few hours work a month.
- (4) One-quarter of labour costs paid by Provincial Government on these municipal relief projects.

1932-33.

- (5) In a few Municipal areas which could not bear the financial burden, the Dominion and Province shared these relief costs in equal proportions.
- (6) From November 1st, 1932, the Dominion Government through an Honorary Commission paid the whole cost of giving food, clothing, and shelter to the "single homeless" (at a cost not exceeding 40c. per diem) in camps which were set up and maintained by the Provincial Government. Further, this Commission was empowered to pay the cost of supporting these single homeless by other institutions in Municipalities (at a cost not exceeding 40c. per diem); any of these men who went to work on farms received \$5 a month from the Commission. Usually a physical examination was required of those registering for placement in the camps. The Commission placed only those who were adjudged physically fit in single homeless camps.

1933-34.

- (7) Relief to single homeless persons in Municipalities: The Dominion contributed 33½%, the Province 33½%, and the Municipal areas 33½%; May 1st to August 1st, 1933. August 1st, 1933, on: physically unfit single homeless men in Municipalities were supported by 50% contributions by the Dominion and Provincial Governments. Physically fit single homeless persons were supported in the Dominion Relief camps.
- (8) To August 1st, 1933, the single homeless camps were administered by an Honorary Commission with the Dominion paying 100% of food, clothing, and shelter costs. Thereafter these camps were over and administered by the Federal Department of National Defence as a Dominion undertaking.
- (9) British Columbia entered into an agreement with the Federal Government which provided that \$600 would be paid over the two years to families now on relief, to assist them to become self-supporting citizens on farms. It was agreed that the Dominion would pay one-third of \$600 and the Province and Municipality concerned the other two-thirds.
- (10) Special rate quoted by Canadian Railways.

1934-35.

- (11) Dominion Government to July 31st, 1934, paid 33½% of the cost of direct relief in Municipalities and 50% in Organized Districts; August 1st, 1934 on, a straight Grant-in-Aid was paid to the Municipalities by the Dominion Government.
- (12) The whole cost of transients and Provincial cases in Municipalities borne by Province.
- (13) The Dominion agreed to pay 50% of the cost of Provincial work on the Trans-Canada Highway.

1935-36.

- (14) For the months of December, 1935, and January, February, and March, 1936, the Dominion increased its Grants-in-Aid to British Columbia: The Province passed most of this cost, absorbing 80% of the cost of relief to Municipal residents with dependents and 100% of transients and provincial cases in the relief organized districts. A reduction in the Dominion to British Columbia was made as follows: April, May, and June 15%; July, August, and September 10% (1936).
- (15) The Dominion agreed to pay 50% of Provincial Highway Projects costs.
- (16) The Dominion Government closed the Relief Camps of the Department of National Defence in the Spring and offered the men work on repair gangs of the railways during the summer.

1936-37.

- (17) The Province of British Columbia did not extend the Farm Settlement Scheme of 1934, but agreed to pay \$100 during the third year, \$80 during the fourth year, and \$70 during the fifth year to those families then on the land under the former Agreement; one-third of these additional grants was paid by the Dominion and two-thirds by the Province and Municipality.
- (18) The Dominion Government paid 50% of the cost of Highway Construction, Young Men Forestry and Placer Mining Camps (summer) in B.C. During the summer of 1936 the Dominion Government contributed 50% of the cost of forestry and other work camps for single homeless persons who were paid at the rate of 30c. per hour.
- (19) In the case of the camps for single homeless men the 100% has little meaning, as the camps were provided at the cost of the Provincial Government, the cost of maintenance was charged to the Provincial Government, and the Dominion Government supplied only a maximum of 40c. per man, per day, which was supposed to provide for his upkeep which was impossible. All additional costs borne by the Provincial Government.

total Dominion payments to British Columbia over the seven years 1930–1931 to 1936–1937 inclusive, were \$19,846,775.79.

Table 65 shows the proportion of expenditures by the Dominion, Provincial and Municipal Governments for Unemployment Relief, 1921 to 1936–1937.

The Canadian Parliament has expended \$217,169,401.58 under the Relief Acts, during the fiscal years 1930–1931 to 1935–1936 inclusive, of which \$183,475,864.75 was paid to the Provincial Governments, \$29,885,640.68 was spent on relief projects by various Federal departments, and the remainder or \$3,807,896.15 on sundry “other” projects. From a sum of \$183,475,864.75 paid to all Provinces by the Dominion Government, British Columbia received \$16,617,188.98.

In Table 66, the total Dominion expenditures in all Provinces under the Relief Acts of 1930 to 1936 inclusive are shown.

Thus, of a total Dominion expenditure of \$262,826,000 in all provinces to the end of March, 1937, \$229,145,000 was paid to the provinces as the Dominion's share of “local” expenditures and \$33,781,000 was expended by the Dominion through its own agencies on one hundred per cent. federal projects. Of this total Dominion expenditure, \$26,656,632 was expended in British Columbia, with \$19,814,481.02 paid to the Province and \$6,842,151.18 expended by the Dominion in that province through its own agencies. (See Table 66.)

It should be mentioned that certain refunds are being claimed by the Dominion Government as over-payments to the Province of British Columbia. The Auditor-General of Canada has been authorized under the various Relief Acts to conduct audits of Provincial and municipal accounts incurred under the agreements made pursuant to the Federal Unemployment Relief Acts, to such an extent as he deemed essential, to safeguard the interest of the Federal Treasury. At the close of the fiscal year 1936–1937, the amount of \$74,958.35 had been established as refundable by the Province of British Columbia to the Dominion Treasury under the Relief Acts from September, 1930, to March 31, 1937, of which \$38,635.82 had been refunded and \$36,322.53 was still outstanding.⁶⁵ The audit is not yet complete.

Until recently the principal medium in Canada through which unemployment relief has been provided in periods of economic stress has been the local governing bodies, or the Provincial and municipal governments. The Federal Parliament maintained that unemployment relief was a local responsibility, and in such periods of distress when large numbers of the unemployed flocked to the urban centres, although the urban municipalities sought assistance from the Provincial Governments, the Provincial Governments received little aid from the Dominion.

During the last decade, however, the provinces have urged that unemployment relief had become of national import, transcending “local” concern, and should be assumed and financed as a federal responsibility. While the Dominion authorities have consistently adhered to their claim that relief was primarily a “local” responsibility they have, during the last twenty years, recognized, at least to a partial degree, the inability of the provinces to shoulder all the relief expenditures necessary in times of widespread unemployment.

During the early post-war period from 1920–1921 to 1925–1926, inclusive, the National Government contributed one-third of the cost of emergency relief

(65) Report of the Relief and Farm Assistance Act, 1936, March 31, 1937, p. 11.

TABLE 66.

DOMINION UNEMPLOYMENT DISBURSEMENTS.

A SUMMARY OF DOMINION DISBURSEMENTS UNDER RELIEF LEGISLATION TO THE END OF THE FISCAL YEAR 1936-37 (RELIEF ACTS, 1930-1936, INCLUSIVE).
(In dollars.)

Type of Assistance.	Prince Edward Island.	Nova Scotia.	New Brunswick.	Quebec.	Ontario.	Manitoba.	Saskatchewan.	Alberta.	British Columbia.	Total (000).
Grants in aid	76,601.47	1,587,450.00	987,781.25	19,755,625.00	23,706,750.00	5,334,018.75	7,902,250.00	3,951,125.00	5,926,687.50	69,229
Direct Relief	65,985.35	1,449,427.13	635,608.24	15,614,031.19	25,595,160.42	5,513,035.25	22,815,116.64	3,709,866.22	6,927,725.87	82,329
Relief in Dried-out Areas (not direct)	-----	-----	-----	-----	-----	-----	-----	-----	-----	6,414
Care Single Homeless	-----	-----	-----	-----	-----	152,398.83	5,859,262.22	401,908.00	1,895,455.58	4,107
Relief Settlement	-----	53,583.24	-----	177,262.65	104,843.24	979,750.00	593,416.43	638,065.23	10,117.25	793
Public Works	939,700.81	3,589,500.37	2,716,689.27	9,501,588.79	28,436,329.66	169,055.38	152,691.77	125,403.50	5,043,051.26	65,224
Other undertakings including transportation	-----	44,761.83	132,693.87	76,293.23	32,483.06	6,712,034.95	4,341,001.87	3,904,348.47	-----	-----
Total Paid to Provinces (1)	1,073,647.63	6,724,722.57	4,472,772.63	45,124,800.86	77,875,566.38	19,051,851.74	42,056,268.09	12,902,030.31	19,814,481.02	229,145
Other Federal Disburse- ments (2)	8,296.12	1,166,898.93	1,272,432.95	3,591,023.80	9,927,176.43	2,156,747.01	2,261,147.28	3,230,803.50	6,842,151.18	33,781 (3)
Total Dominion Disburse- ments	1,081,943.75	7,891,621.50	5,745,205.58	48,715,824.66	87,802,742.81	21,202,598.75	44,317,415.37	16,132,833.81	26,656,632.20	262,826

(1) Also Yukon and North-West Territory, \$49,101.31

(2) Includes expenditures by Federal Departments (re National Defence) in each province under Relief Measures (not jointly financed by Province and Dominion), usually 100% by Dominion finance, also grant Canadian National and Pacific Railways to increase employment on lines and improvements.

(3) Includes a further \$2,535,627.20, classified as miscellaneous for which no breakdown by provinces is given, including: (a) Department of National Defence, \$1,293,519.30; (b) Board of Railway Commissioners, \$1,000,000.

SOURCE: Canada: Dominion Commissioner of Unemployment Relief Annual Report, March 31, 1937.

NOTE: Data included for fiscal year ending 1937 not complete; does not include vouchers presented for payment after March 31, for expenditures in 1936-37.

in municipalities and one-half in unorganized districts. Again, during the more recent period of widespread unemployment, from 1930 up to the present time, the Federal Government has rendered similar financial assistance to the provinces, for the relief of distress and the maintenance of good government in Canada.

Two methods of relief have been used, namely, direct relief and work projects. Although these two classifications are not absolutely water-tight, Provincial and municipal authorities have encouraged those persons in receipt of direct relief to do some useful work for their cash allowances. Generally speaking, the policy pursued has been determined by the economic conditions prevailing and also by local circumstances. With the lessening of the severity of the economic depression and more buoyant Provincial revenues, an increase in work projects has been possible, including forestry and mining training camps for youths. The costs of unemployment relief have not decreased proportionately to the reduction in the number on relief. A cumulation of three factors, namely, a decreased Dominion grant, the absorption of a greater share of the direct relief expenditures for municipal residents and their dependents, and a higher allowance to relief recipients, has caused the provincial expenditures on unemployment relief account to show no appreciable decrease in keeping with the lessening relief rolls of the past three years.

Table 67 shows the relative decrease in the Dominion, Provincial, and Municipal share of Gross Unemployment Direct Relief expenditures in British Columbia for the year 1937-38 in contrast to 1936-37.

TABLE 67.

DOMINION, PROVINCIAL, AND MUNICIPAL EXPENDITURES FOR DIRECT RELIEF IN BRITISH COLUMBIA, 1936-37 AND 1937-38 (ESTIMATED).⁽¹⁾

(In dollars.)

Fiscal Year.	Total (Gross).	Dominion.	Provincial.	Municipal.
1936-1937	7,617,977.46	2,476,687.50	4,390,517.26	750,772.70
1937-1938 (estimated)	5,901,000.00	1,500,000.00	3,800,000.00	601,000.00
Decrease	1,716,977.46	976,687.50	590,517.26	149,772.70
Decrease as per cent. of 1936-37 figure	22.5%	39.4%	13.4%	19.9%

(1) Assuming that the Dominion grant-in-aid will be \$115,000 for January, February, and March, 1938. The estimate for 1937-38 is based on field returns taken to December 31, 1937. Average monthly provincial and municipal expenditure in January, February, and March, 1938, assumed to be the same as the monthly figure for December, 1937.

SOURCE: British Columbia: Department of Finance, Treasury Statement.

The present method of financing unemployment relief on capital account with most of the municipal and Provincial share of relief expenditures borrowed from the Dominion Government is unsatisfactory. A more equitable and permanent relief policy must be evolved to meet distressed conditions and to provide means of avoiding such large drains on the limited resources of the Provincial Treasury in the future.

At March 31, 1937, the Province owed a net \$28,483,429.73 on account of unemployment relief expenditures. The municipalities, at September 30, 1937, owed a net \$2,117,113.18 on similar account. Thus over the period in question the Province has spent \$30,943,841.44 for unemployment relief and still owes, as of March 31, 1937, \$28,483,429.73 or 92 per cent. Nearly all of this is owed

to the Dominion Government. The municipalities have spent to September 30, 1937, \$8,546,544.89 and still owe as of the same date \$2,117,113.18 or 25 per cent. Nearly all of this is owed to the Provincial Government. The Province at March 31, 1937, and the municipalities at September 30, 1937, combined had spent \$39,490,386.33 and owed a net of \$30,600,542.91 or 77.48 per cent. of the total expenditure for unemployment relief.⁶⁶ One of the most striking aspects of the unemployment relief problem is that most of the current cost was being met through loans.⁶⁷ In 1936-37 the sum of \$2,689,022.57 was applied on relief expenditure from current revenue.

As over ninety per cent. of the total cost of relief to the Province has been paid out of capital, the question arises, are there any assets existing to offset these very large expenditures? In the fiscal year 1935-1936 the total expenditure on Provincial unemployment relief was \$10,517,867.52. Of this the Dominion contributed \$2,250,000, and the sum of \$692,376.84 was loaned to the municipalities so that the net cost to the Provincial Government was \$7,575,190.68.⁶⁸

Expenditures for direct relief for physically unfit and homeless persons, for non-contributory cases and for public health amounted to \$6,986,920.59, all this expenditure being in effect public charity, no tangible or permanent capital asset, or even apparent service, was obtained for this expenditure. For public works \$2,509,687.10 was spent, and \$328,882.99 was spent for forestry, placer-mining supervision, and relief land settlement, this latter being partly charitable, partly educational, and partly bona fide public works. Thus, the position with regard to expenditures in this year was:

Purely charitable	\$6,986,920.59
Partly charitable	328,882.99
Public Works	2,509,687.10
 Total	 \$9,825,490.68 ⁶⁹

It would appear that there is no tangible asset as an offset against the purely charitable expenditures. With regard to public works, many of these would be in the nature of current services which otherwise would not have been performed, and a certain portion of the public works expenditure would be for projects of a permanent nature. These works would form a comparatively small portion of the total expenditure; consequently, it can be said that the Province has acquired assets only fractional in amount as compared with the total expenditures on unemployment relief. These expenditures for the year 1935-1936 represent a typical depression year. Actually during the period 1931-32 to 1936-37, \$25,435,406.04 has been written off expenditures on capital account for Unemployment Relief by the Province.

The term "unemployment relief" has been used to cover a wide variety in forms of relief to the indigent. The real basis of assistance has been poverty, but the basis of poverty has been varied. In some cases it has been due to the inability to secure work, and in other cases the inability to work, either from

(66) None of these totals or percentages include the expenditures of the municipalities for unemployment relief prior to April 1, 1930. These expenditures are not ascertainable and are probably small.

(67) The debt figures are supplied by the statistician of the Department of Finance.

(68) British Columbia, Public Accounts, Unemployment Relief Fund, 1936-1937.

(69) Towards this total the Dominion contributed \$2,250,000.

mental, physical, or other reasons. Many of those on relief are completely unemployable at all times, and others employable only to a limited extent. Of those on relief, many are seasonal workers who are not able to secure regular employment.

The question of employables and unemployables is largely a matter of degree, but an attempt has been made by the National Employment Commission to make a segregation. In March, 1937, 82,552 persons residing in British Columbia were in receipt of unemployment relief aid to which the Dominion Government contributed.⁷⁰ Of these, 10,238 were farm resident operators and their dependents, which leaves a balance of 72,314 persons. Of these 38,292 were non-worker type dependents; 13,281 were wives, 23,311 were children under 16, and 1,700 were other dependents unable to work (old parents, etc.). When all these deductions have been made there are left, according to the statistics furnished by the Commission, 34,022 persons who would nominally be considered bread winners, being persons of both sexes over 16 other than wives and persons unable to earn a livelihood due to extreme age, etc. Of these 34,022 the Commission lists 9,152 as being totally unemployable or partially employable, and 24,870 as being fully employable.

The above findings are summarized below:

SEGREGATIONS BY PURVIS COMMISSION.⁷¹

	Number.
Fully employable persons of both sexes over 16, exclusive of non-worker type dependents.....	24,870
Partially employable and fully unemployable persons over 16 of both sexes exclusive of non-worker type dependents	9,152
Non-worker type dependents:	
Wives	13,281
Children under 16	23,311
Other dependents	1,700
	<hr/> 38,292
Sub-total	72,314
Farm Resident Operators and their dependents.....	10,238
	<hr/>
Total persons in receipt of aid to which the Dominion contributed in British Columbia in March, 1937...	82,552
	<hr/>

The important fact is that of the 34,022 bread winners, 73 per cent. were considered employable and 27 per cent. unemployable. It would seem that 27 per cent. of the 34,022 persons receiving aid in British Columbia (excluding resident farm operators and their dependents) are economic misfits that cannot be absorbed in the industrial system today. These cases are presumably the chronic cases. They are the sub-marginal workers of our present economy.

In view of the fact that there now seems to be a considerable possibility of a national system of unemployment insurance being inaugurated, the question arises as to how many of the persons at present on unemployment relief could

(70) Canada: National Employment Commission, Interim Report, July, 1937, Table D 1.

(71) *Ibid.*

become contributory, in normal times, under such a scheme. In other words, would a contributory system of unemployment insurance result in a considerable lessening of the burden of unemployment relief on the Provincial and municipal treasuries? How many of the persons now on relief represent cases resulting from abnormal business conditions, and how many of these cases may be considered chronic?

The wider the scope of any insurance scheme, that is, the greater proportion of present cases that are included, the more certain it is that some government agency will have to step in with considerable contributions, and the situation will not be very greatly improved from what it is today.

The problem of unemployment relief is relatively a recent one, at least, in Canada. In an attempt to relieve suffering tremendous public expenditures have been haphazardly made as emergency conditions became apparent. There is no real agreement as to which branch of government should assume responsibility and no administrative agreements are in existence whereby the problems raised by the transient may be satisfactorily settled. In fact there is yet little realization of what the fundamental problem is. Some authorities consider that expenditures on the scale recently witnessed will become permanent; if that is so governments will not for ever be able to meet their expenditures for unemployment relief out of borrowed money as is the case today. Other authorities consider that the unemployment of the last seven or eight years represents a purely emergency situation of a temporary nature.

There seem to be three principal factors accounting for the present situation: first, a long-run tendency resulting in an ever increasing fraction of the workers in the community becoming sub-marginal labourers; second, a short-run tendency for the economic system to progress in a series of starts and stops; and third, a tendency for increased specialization to decrease the mobility of labour and increase economic friction.

The value of a labourer is becoming less and less a question of physical man power and more and more a question of specialized training and intellectual development. We are rapidly approaching the state where a large number of men and women represent sub-marginal workers. That is, persons whose marginal productivity is so low that the average competitive business, if it were to pay them a living wage, could not bear the high labour cost. To comprehend much of the present unemployment relief situation it is necessary to become accustomed to the concept of the sub-marginal worker, the economic misfit of present society.

In the short-run period, during years of prosperity, the increasing number of sub-marginal workers is lost sight of due to the increased ability of industry to bear a high labour cost; but when the depression ensues this short-run period is quickly reversed and a great number of normally marginal workers cannot be carried by entrepreneurs.

Due to a variety of causes, the economic system performs its functions of producing and distributing goods and services at a very greatly varying rate over a period of years. Thus a large number of workers of questionable employability can obtain employment during good times but not during bad years. This type of worker, because he is periodically employed, could be included in a system of contributory unemployment insurance. There would have to be, however, additional contributions from business and/or the state. Insofar as the Dominion Government is best placed to minimize, through laws and

regulations, the varying rate of progress of the business system, and because such an arrangement would at once in part reduce the difficulties created by transient unemployed persons, the Dominion Government should logically be the authority to supervise and contribute to a system of unemployment insurance for persons usually employed and those employable from time to time.

Even the most employable of workers, persons to whom any business could afford to pay a salary, occasionally find great difficulty in finding another job if once they lose one. The worker of average proficiency finds it an exceedingly difficult task to find a satisfactory job at short notice. Such difficulties are largely a question of inadequate marketing facilities. After the War the Dominion Government arranged to make considerable contributions towards the Employment Bureaus of those Provinces that would establish them. British Columbia has spent a large amount of money on these bureaus, and the Dominion has made annual grants.⁷² For a while it was thought that they were doing good work.

However, the National Employment Commission has stated:

"Early in the Commission's investigations it became evident that the first and most vital step necessary to the successful handling of the employment, re-employment and Aid administration problems is the development of more efficient Employment Services throughout Canada. The present Provincial Employment services are in practice unfitted to meet the exigencies of the situation. Divided responsibilities and diversity of aims between different Provinces; unequal development as regards members, types and functions of local offices; unsuitable locations of premises; defects in Provincial boundaries as economic administrative units when used, etc., have all tended to result in the Provincial Employment Services not being utilized fully either by employer or employee."⁷³

It would seem that considerable improvement could be made in the marketing arrangements of labour. Also the northern latitude and extractive economy of the nation make efficient Labour Bureaus essential.

With such improved methods of marketing, it is possible that a large number of persons at present on the relief rolls, or in casual employment, could be included in a contributory system of unemployment insurance, supervised by the Dominion Government, without the necessity frequently arising for additional funds to be provided by public (presumably Dominion) authority. This would be especially true if industry was forced to contribute to the Insurance Fund.

However, a large number of persons who are unemployable or only employable during certain times of the year or during certain years could not be included in a contributory scheme. According to the National Employment Commission approximately 27 per cent. of the unemployed workers in British Columbia to whom the Dominion Government contributed are unemployables.⁷⁴ These cases will be always a public charge. Should the Dominion or the Provincial-municipal authorities assume responsibility for such cases? This depends very much on which has the more suitable tax structure to carry the load. If the Dominion does not assume responsibility comprehensive transiency regulations must be set up to cover inter-Provincial cases.

(72) See Table 68.

(73) Canada: National Employment Commission, Interim Report, July, 1937, Ottawa, Canada; p. 18; Legislative Library.

(74) See page 123.

EMPLOYMENT SERVICE OF CANADA.

The first continuing grant to the provinces by the Dominion was inaugurated in 1918 for the maintenance of public employment offices, and has been in operation continuously up to the present time.

The "Public Employment Offices Co-ordination Act" was passed in 1918.

"Employment Offices," as defined by the Act, means "an employment office or any division of an employment office, operated by a provincial government or any other government office or, division of an employment office, approved by the Governor-in-Council."⁷⁵

The appropriation is allotted to the provinces by means of quarterly reimbursements, in the proportion that the expenditure each province bears to the total expenditure of all provinces for maintenance of employment offices; but no province may be reimbursed for more than one-half the amount it expends for such purposes.⁷⁶ As a matter of fact, the Dominion grant has averaged a smaller proportion of the provincial expenditure, as shown in Table 68.

It was believed that the method adopted of allocating the grant, in proportion to provincial expenditures on employment offices, was more equitable than a straight population basis since the needs of the provinces would depend somewhat on their urban centre of population.⁷⁷

TABLE 68.

CONTRIBUTIONS BY THE DOMINION GOVERNMENT FOR THE MAINTENANCE OF EMPLOYMENT OFFICES ESTABLISHED IN THE PROVINCES OF CANADA BY THE EMPLOYMENT OFFICES CO-ORDINATION ACT OF 1919.

FISCAL YEARS 1919-20; 1924-25; 1929-30 AND 1936-37.⁽¹⁾

(In dollars.)

Fiscal Year.	Total Provincial Expenditures.	DOMINION CONTRIBUTION.	
		In Dollars.	Per Cent of Total Provincial Expenditure.
1919-20.....	338,415.22	169,207.61	50.0
1924-25.....	439,882.69	150,000.00	34.1
1929-30.....	457,317.07	150,000.00	32.8
1936-37.....	491,514.19	150,000.00	30.5

(1) SOURCES: Dominion of Canada: Sessional Papers; Report of Employment Offices Co-ordination Act, Annual Report Department of Labour, Fiscal Years 1919-20; 1924-25; 1929-30 and 1936-37.

The Minister of Labour was further empowered to establish one or more clearing-houses for the interchange of information between employment offices concerning the transfer of labour and other matters; to compile and distribute information received from employment offices and from other sources, regarding prevailing conditions of employment;⁷⁸ to appoint the necessary officers to carry out this Act,⁷⁹ and to make regulations which are deemed necessary to carry it out.⁸⁰

(75) Statutes, Canada, 1918, Chapter 21, section 2.

(76) *Ibid.*, section 5.

(77) House of Commons, Debates, 1918, p. 1044.

(78) Statutes, Canada, 1918, Chapter 21, section 3.

(79) *Ibid.*

(80) *Ibid.*, section 8.

In British Columbia the Act is administered by the Provincial Department of Labour, with a provincial superintendent of Employment Service in charge of all offices within the Province and maintaining a Provincial clearing-service to co-ordinate the work of the local offices. In turn, each local office is immediately in charge of a local superintendent.

In Table 69 the annual expenditures of the Province of British Columbia, the Dominion's share of expenditure in British Columbia, and the Dominion's annual share of expenditure in all provinces under the Employment Offices Co-ordination Act for the years 1918-1919 to 1936-1937 inclusive, are shown. By March 31, 1937, the Dominion had paid \$3,079,399.97 to the Provinces for the Employment Offices Co-ordination Conditional Grant, and \$375,068.99 to the Province of British Columbia. British Columbia on her part had expended \$664,113.01 on Employment Offices. (*See Table 69.*)

TABLE 69.

BRITISH COLUMBIA'S SHARE OF EXPENDITURE UNDER THE EMPLOYMENT OFFICES CO-ORDINATION ACT (1918); DOMINION GOVERNMENT'S SHARE OF THE EXPENDITURE IN BRITISH COLUMBIA AND IN ALL PROVINCES, FISCAL YEARS 1918-1919 TO 1936-1937, INCLUSIVE.

(In dollars.)

Year (Fiscal).	British Columbia's Share of the Cost of Employment Offices.	Dominion Government's Share of the Cost in British Columbia.	Dominion Government's Share of the Cost in all Provinces.
1918-1919	16,953.56(1)	3,082.99	50,000.00
1919-1920	45,878.54	24,548.91	169,207.61
1920-1921	34,737.50	34,211.55	233,890.75
1921-1922	33,082.80	31,125.00	239,269.01
1922-1923	33,798.04	30,739.74	237,032.60
1923-1924	36,324.82	30,265.83	200,000.00
1924-1925	40,224.49	20,303.16	150,000.00
1925-1926	36,548.42	19,610.35	150,000.00
1926-1927	36,623.20	19,593.89	150,000.00
1927-1928	37,664.28	19,265.60	150,000.00
1928-1929	39,129.59	19,834.96	150,000.00
1929-1930	38,986.98	19,507.54	150,000.00
1930-1931	42,115.94	18,368.56	150,000.00
1931-1932	42,557.63	17,372.91	150,000.00
1932-1933	32,126.70	14,669.92	150,000.00
1933-1934	26,444.83	12,226.82	150,000.00
1934-1935	27,611.01	12,162.82	150,000.00
1935-1936	30,150.93	13,646.37	150,000.00
1936-1937	33,154.25	14,532.07	150,000.00
Totals	664,113.01	375,068.99	3,079,399.97

(1.) For the years 1918-1919 to 1923-1924 only total expenditure for Employment Offices in British Columbia obtainable from Public Accounts. This total less Dominion Expenditure (Auditor-General's Report) assumed to be provincial expenditure. 1918-1919 includes also cost of general administration of Labour office.

SOURCES:

Dominion Contributions.

(1) 1918-1919 to 1936-1937, inclusive: Canada, Auditor-General's Report, Department of Labour.

(2) 1936-1937: British Columbia, Department of Labour, Public Accounts, 1936-1937.

Provincial Contributions.

British Columbia Public Accounts, 1918-1919 to 1936-1937, inclusive.

A representative picture may be obtained of the work performed by the Employment Offices established in the Province from Tables 70 and 71, which indicate the applications for employment received, the vacancies reported in Regular and Casual Employment during each of the fiscal years 1919-1920 to 1936-1937 inclusive in Canada and British Columbia.

Table 70 reveals, insofar as Canada as a whole is concerned, that there has been an increase from an average of about 50,000 applications for employment received during the years preceding 1930–1931 to about 650,000 during the years 1930–1931 to 1936–1937 inclusive.

At the same time there was a decrease in the vacancies reported by employers, not so considerable as the increase in the number of applications received but nevertheless significant, from an average of 450,000 in 1919–1920 to 1930–1931, to 375,000 in 1930–1931 to 1936–1937 inclusive.

The total number of placements has registered a decline from an average of 410,000 in the period 1919–1920 to 1930–1931 inclusive, to 360,000 in the six years 1931–1932 to 1936–1937 inclusive.

An analysis of the regular employment placements shows a sharp decline in the depression period from 1930 on, of about $\frac{1}{3}$ from 300,000 to 200,000, when compared with the similar placements from 1920 to 1929.

TABLE 70.

STATISTICS OF THE EMPLOYMENT SERVICE OF CANADA (EMPLOYMENT OFFICES CO-ORDINATION ACT) FOR THE DOMINION OF CANADA.

APPLICATIONS FOR EMPLOYMENT RECEIVED, VACANCIES IN REGULAR AND CASUAL EMPLOYMENT LISTED, AND PLACEMENTS IN REGULAR AND CASUAL EMPLOYMENT MADE.

FISCAL YEARS ENDING MARCH 31ST, 1920 TO 1937, INCLUSIVE.

Fiscal Year.	Applications for Employment Received.	Vacancies in Regular and Casual Employment Listed. (1)	PLACEMENTS MADE.		
			Total.	Regular Employment.	Casual Employment. (2)
1919-20	470,250	449,022	380,600	328,937	51,663
1920-21	445,280	452,344	320,036	340,291	79,745
1921-22	546,168	437,682	363,475	276,867	86,608
1922-23	547,377	489,816	412,527	300,982	111,545
1923-24	597,783	545,517	468,815	347,482	121,333
1924-25	501,574	382,934	340,819	243,694	97,125
1925-26	548,487	443,810	408,487	308,096	100,391
1926-27	540,749	456,375	410,310	300,407	109,903
1927-28	556,754	456,569	418,306	302,927	115,379
1928-29	600,628	510,122	472,977	335,037	137,940
1929-30	562,061	428,755	401,509	256,690	144,819
1930-31	721,609	464,136	447,239	186,739	260,500
1931-32	767,419	433,334	419,407	172,209	247,198
1932-33	633,170	340,718	326,226	152,591	173,635
1933-34	704,110	395,191	376,651	184,910	191,741
1934-35	686,841	407,065	385,896	222,719	162,677
1935-36	677,408	375,169	351,886	225,080	126,806
1936-37	680,183	375,724	332,195	226,518	105,677

(1) Vacancies reported by employers to the Employment Offices.

(2) Placements for one week or less.

SOURCE: Canada: Sessional Papers, Report of the Employment Office Co-ordination Act; Annual Report of the Department of Labour.

NOTE.—Only incomplete statistics are available for 1918–1919; as they were not strictly comparable with the other statistics they have been omitted.

The casual employment placements, however, reveal a very large increase during the worst years of the depression from the figures of 1920–1929, with a decline in the annual number of the “week or less” placements to 100,000 in 1936–1937, or about normal.

An analysis of the employment office statistics for British Columbia over the period 1919 to 1937, inclusive, shows a remarkable steadiness in the number

TABLE 71.

STATISTICS OF THE EMPLOYMENT SERVICE OF CANADA (EMPLOYMENT OFFICES CO-ORDINATION ACT) FOR THE PROVINCE OF BRITISH COLUMBIA.

APPLICATIONS FOR EMPLOYMENT RECEIVED, VACANCIES IN REGULAR AND CASUAL EMPLOYMENT LISTED, AND PLACEMENTS IN REGULAR AND CASUAL EMPLOYMENT MADE.

FISCAL YEARS ENDING MARCH 31ST, 1920 TO 1937, INCLUSIVE.

Fiscal Year.	Applications for Employment Received.	Vacancies in Regular and Casual Employment Listed. (1)	PLACEMENTS MADE.		
			Total.	Regular Employment.	Casual Employment. (2)
1919-20.....	63,747	50,288	43,827	43,827	
1920-21.....	73,828	52,897	61,958	49,412	12,546
1921-22.....	79,025	36,446	39,351	31,370	7,981
1922-23.....	79,784	44,669	44,608	33,089	11,519
1923-24.....	81,169	56,862	55,142	35,272	19,870
1924-25.....	72,841	37,821	41,186	27,826	13,360
1925-26.....	75,029	39,459	47,670	32,022	15,648
1926-27.....	75,979	43,276	48,818	30,326	18,492
1927-28.....	71,306	38,308	44,711	29,560	15,151
1928-29.....	76,669	46,296	54,310	35,474	18,836
1929-30.....	73,593	44,083	46,203	27,685	18,518
1930-31.....	94,104	36,786	36,237	14,197	22,040
1931-32.....	114,244	46,727	46,293	24,595	21,698
1932-33.....	80,470	37,997	37,883	16,586	21,297
1933-34.....	82,652	45,012	44,833	21,828	23,005
1934-35.....	71,946	47,202	47,116	26,414	20,702
1935-36.....	69,977	37,478	37,343	19,812	17,531
1936-37.....	71,921	35,424	35,276	16,166	19,110

(1) Opportunities for employment of which the offices were notified by employers.

(2) Duration of employment does not exceed seven days.

SOURCE: Canada: Sessional Papers: Report of the Employment Office Co-ordination Act; Annual Report of the Department of Labour.

NOTE.—Only incomplete statistics are available for 1918-19; as they were not strictly comparable with the other statistics they have been omitted.

of applications received by the Provincial Offices during the entire period since their inception, including the depression period. A similar conclusion is forthcoming when the vacancies in regular and casual employment is examined, that is, a steadiness in the vacancies reported from one year to the next. However, there has been a discernible fall in the average total placements, a decided fall in the regular placements, and a considerable increase in the casual employment placements during the period of depression from 1930 to 1937, in comparison with the total, regular and casual employment placements during 1920 to 1929.

The excess of total placements over the vacancies reported in British Columbia is due to the fact that a large part of the placements effected in British Columbia during the 1920's were transfers of harvesters to the Prairie Provinces. This seasonal movement to the provinces of Alberta, Saskatchewan, and Manitoba has largely disappeared in the last seven years, due in large part to the crop failures on the prairies farms.

The Dominion-Provincial organization set up under the Employment Offices Co-ordination Act made considerable progress during the early years following its inception in 1919, and throughout the 1920's. Frequent conferences were held by the Employment Service Council, consisting of representatives of provincial governments, industry, labour, agriculture, railways, and returned soldiers, for the purposes of developing an enlightened and progressive policy. Research activities with the specific intention of improving the opera-

tion of the Employment Branch were carried out. Co-operation with other federal departments such as the Soldiers' Civil Re-establishment Board in finding employment for returned soldiers, and the Department of Immigration and Colonization in supplying data as to the availability of labour in Canada was instituted.

Since 1930, however, the activities of the Employment Offices have become routinized, and many of its most worthwhile activities decreased or abolished. Research activities have decreased. While the local employment offices have given some assistance in connection with the administration of unemployment relief programmes, and public work projects, they have made little or no contribution toward the solution of the employment problem during the depression. Further, the Employment Service Council which assisted so materially in the Administration of the Employment Offices Co-ordination Act, and in recommending ways of preventing unemployment, etc., has not met since 1930.

It would appear at the present time that the Employment Service of Canada does little else than bring together employers and employees who, on their own initiative, make use of this particular service. It would appear also, that a more aggressive policy is required so as to make this service a really effective instrument in meeting employment problems in Canada.

THE PROBLEM OF TRANSIENCY.

Definitely arising out of the problem of divided responsibility is the problem of transiency. This is of particular importance to the Province of British Columbia.

The provision of relief, health, and welfare services in Canada is based to a large degree upon the concept of local responsibility. This is a direct legacy from the Elizabethan poor laws. Although the recent emergency situation has resulted in certain modifications of this principle in practice, the old order still nominally prevails. The Dominion has entered the field of unemployment relief by assuming responsibility for certain types of cases and making large aids to the Provinces. In turn the Provinces have been aiding the municipalities.

There is no agreed definition of transient. The general feeling, however, is that a person does not really "belong" to a Province or a municipality unless he lives or has resided in it for a certain period of time. What this period of time should be is a difficult question. There should be a generally accepted definition of transiency.

There are various forms of transiency as shown by the following list:

(A) *Inter-Provincial Transiency:*

- (1) From unorganized territory in one Province to unorganized territory in another Province.
- (2) From organized territory in one Province to organized territory in another Province.
- (3) From unorganized territory in one Province to organized territory in another Province.
- (4) From organized territory in one Province to unorganized territory in another Province.

(B) *Intra-Provincial Transiency:*

- (1) From one municipality to another in the same Province.

- (2) From organized territory into unorganized territory in the same Province.
- (3) From unorganized territory into organized territory in the same Province.

(C) *Extra-Provincial Transiency:*

- (1) From another country into an organized territory.
- (2) From another country into an unorganized territory.

There are thus nine forms in which the problem may arise.

The existing situation results in inadequate service, and sometimes injustice to the transients as well as injustice to the Province involved.

The many difficulties that would arise if this question of transiency was left to be settled by voluntary inter-Provincial agreement must be obvious. It is not in the interests of the Eastern Provinces to make such an agreement; they might refuse to accept any responsibility for former "residents." Yet some agreement is necessary so that the efficiency of administering these many social services may be increased, so that the interests of the transients will not suffer, and so that certain areas shall not be burdened with a disproportionate number of persons from other parts of the country claiming relief, health and welfare services. In the event of amendments being made to the British North America Act, a very fortunate opportunity arises to settle once and for all this vexing problem.

In determining the responsibilities of different areas for transients, certain essential factors must be considered.

The fact that one area (either a municipality in a Province, or a Province in the Dominion) has a higher and more liberal standard of relief, health or welfare services should not be allowed to result in that area having to support at its expense and on the same standard the destitute and sick of other areas who have been attracted by the better services. If this condition of affairs is allowed, the municipality or province which has a higher conception of its social responsibilities than has its neighbours will be penalized by an influx of destitute and sick, while the municipality or province that cuts all its services to the bone will be benefited through its unfortunates attempting to leave. "Thus every community by necessity is required to enter the race for the lowest common denominator in relief provisions for non-residents in an effort not to attract transients, or as a means of encouraging them to move on."⁸¹ Transients (persons with no present legal residence) will have to be considered as "belonging" to the municipality or Province in which they were last "residents" for at least a certain period of time, after they have moved to another area.

Such an arrangement would afford temporary protection for areas enjoying favourable climatic factors; also those cities such as Vancouver, Winnipeg, and Montreal, which seem to attract unemployed and indigent persons every winter, often from other Provinces.

On the other hand it is obviously unfair to require a municipality or a province to assume responsibility indefinitely for a man living somewhere else.

(81) "Public Welfare News," January, 1936.

There is also the case of those who move so frequently that they do not acquire residence in any particular place. If such movement is merely *intra-provincial* the Province would be responsible. But if the movement is *inter-provincial* the Dominion should be responsible.

Regions such as British Columbia are being penalized for their favourable climate. Localities are being penalized if they undertake more complete and better services than their neighbours.

It is probable that action is being taken by different municipalities and Provinces to keep the transient away. This leads to ill feeling between the indigent transient and the police of different places. Such ill feeling leads to bad social results and is indicative of unsatisfactory government.

It is difficult to state with accuracy the actual burden of transiency on this Province, but an attempt has been made to give some indication of its incidence. The problem of the transient is a national problem, and should be dealt with on a national basis, which is clear and understandable to all parties concerned.

INDIGENCE OF TRANSIENTS IN PUBLIC INSTITUTIONS.

One of the problems arising from the influx of persons from other Provinces has been an increased demand on the social services provided by British Columbia. This affects all public institutions to some degree, as these institutions are called upon to serve the needs of the newcomers. Certain information was available on the files of Government Departments with regard to this problem.

In the case of institutions where this information was not available a special questionnaire was prepared in order to secure the necessary information. The institutions involved in this questionnaire were:

- Hospitals
- Provincial Industrial Schools
- Provincial School for Deaf and Blind
- Provincial Gaols and Prison Farms
- Provincial Board of Health, Tuberculosis Units

This study has been made to cover those who have resided in the Province three years or less. The results of this study show that at the middle of November, 1937, there were 445 patients or inmates in the institutions surveyed who had resided in British Columbia three years or less. Of these, 254 were males and 191 were females. The following table shows the number in each type of institution.

Institution in which Confined, Nov. 14-20, 1937.	Males.	Females.	Total.
Hospitals	150	170	320
Provincial Industrial Schools	4	5	9
Provincial School for Deaf and Blind	2	3	5
Provincial Gaols and Prison Farms	86	2	88
Provincial Board of Health, Tuberculosis Units	12	11	23
Total number of patients or inmates confined during week November 14-20, 1937	254	191	445

As can be seen, the hospitals bore the brunt of the increased demand, although Provincial Gaols and Prison Farms and Tuberculosis Divisions were also significantly affected. In this group 208 persons had resided in the Prov-

ince for less than one year, 112 had been in the Province between one and two years, and the remaining 125 had resided in British Columbia between two and three years. The following table gives some exact details on the length of residence of this group.

Length of Residence in British Columbia.	Males.	Females.	Total.
0 to 5.99 months.....	84	52	136
6 to 11.99 months.....	41	31	72
12 to 17.99 months.....	45	24	69
18 to 23.99 months.....	16	27	43
24 to 29.99 months.....	38	34	72
30 to 36.00 months.....	29	21	50
Not stated.....	1	2	3
Totals.....	254	191	445

The migration was shown to have been chiefly from the Provinces of Alberta and Saskatchewan. Of the total 445 patients concerned, 275 had entered British Columbia from these two provinces. As the following Table shows, Ontario, Manitoba, Quebec, and the United States are the areas from which a large part of the balance originated.

Province or Country in which Patients or Inmates last Resided.	Males.	Females.	Total.
Alberta.....	81	58	139
Saskatchewan.....	73	63	136
Ontario.....	33	10	43
Manitoba.....	20	17	37
Quebec.....	10	4	14
New Brunswick.....	1	—	1
Nova Scotia.....	1	—	1
Yukon and Northwest Territory.....	2	—	2
Other parts of Canada not given.....	4	3	7
Totals, Canada.....	225	155	380
United States.....	10	13	23
United Kingdom.....	1	5	6
Poland.....	1	2	3
Japan.....	2	1	3
China.....	2	—	2
Czecho-Slovakia.....	2	—	2
Australia.....	—	1	1
India and other British Possessions.....	1	—	1
Germany.....	1	—	1
Jugo-Slavia.....	—	1	1
Norway.....	—	1	1
Sweden.....	1	—	1
Not stated.....	8	12	20
Totals.....	254	191	445

Of the 445 persons in the migration group reviewed, 320 were inmates of general hospitals and of this hospital group, 157 were expected to pay in full or in substantial part for the services rendered or whose relatives, friends, or some responsible organization would pay in the event the patient would not do so. One hundred and four patients were not expected to pay either in full or in substantial part (nor would relatives, friends, etc., do so). The small group of 58 patients were classed under a "doubtful" heading, and in only one case was the information not given, so that we might say 49 per cent. of the

hospital group would pay in full and 51 per cent. would represent the portion which would or might become a charge to the Province.

Related to the problem of ability to pay for services rendered is the ability to accept gainful employment after dismissal from the institution. In the case of this hospital group of 320 persons the survey disclosed that 174 persons would be able to accept gainful employment after dismissal, 75 would not be able to accept gainful employment, 51 were thought to be doubtful as far as their ability to accept gainful employment was concerned, and the information was not given in the case of 20 others. The inter-relationship between the ability to pay in full for the services rendered by the hospital, and the ability of the patient to accept gainful employment after leaving the hospital is revealed in some detail in Table 72.

The survey also disclosed that of the total 445 persons, 262 were considered as able to accept gainful employment in the Province after their dismissal from the different institutions, 83 were classified as being not able to accept gainful employment, 80 persons were considered doubtful cases, and the information was not given in the case of 20 others. One hundred and seventy-seven patients belonged to a group not expected to seek gainful employment, and of these 102 patients were designated housewives, 43 were classified as students, 15 infants were included in the survey, and 11 others were persons normally occupied at home. The balance was made up of persons normally engaged in or seeking gainful employment.

Principal occupations were as follows: labourers and unskilled workers (not in agriculture, mining, or logging) 43, farmers and stock raisers 23, loggers and lumbermen 17, domestic servants 14, and farm labourers 13. The remainder was spread over a diversified number of occupations. The full details of the survey on this point are shown below (Table 73).

During the week November 14-20, 1937, there was a total of 4,717 patients confined in hospitals and tuberculosis units in British Columbia. These institutions are distinguished from gaols and houses of correction in that the inmates are normally expected to pay for services rendered. Of the total number of inmates in these institutions at the above date 343 had resided in the Province three years or less. Of these 162 or 47.2 per cent. were expected to pay in full or in substantial part, and 181 or 52.8 per cent. were not expected to pay. This gives some indication of the additional burden placed on public institutions in this Province as the result of the migration of people from other Provinces. As this study only covers those who have been three years or less in the Province, it can be seen that this problem becomes immediate, and places a sudden strain on our institutions.

The time incidence of this strain is seen, as out of the total of 181 not expected to pay, 78 had been in the Province less than one year, 48 between one and two years, and 45 between two and three years.

Institutions not included in this questionnaire regarding which information was secured from the department concerned were the following:

Mental institutions

Home for the Aged

Neglected Children under Care

Tuberculosis Division Out-Patients

A DISTRIBUTION OF PATIENTS IN HOSPITALS, RESIDENT IN BRITISH COLUMBIA THREE YEARS OR LESS, SHOWING ABILITY TO ACCEPT GAINFUL EMPLOYMENT AFTER DISMISSAL FROM THE INSTITUTION, AND ABILITY TO PAY FOR SERVICES RENDERED.

Country in which Patient Resided
before Entering British
Columbia.

TABLE 73.

A DISTRIBUTION OF PATIENTS OR INMATES RESIDENT IN BRITISH COLUMBIA THREE YEARS OR LESS, SHOWING ABILITY TO ACCEPT GAINFUL EMPLOYMENT AFTER DISMISSAL.

OCCUPATION OR STATUS. (Groups are arranged in Order of Decreasing Magnitude.)	YES.			No.			DOUBTFUL.			NOT STATED.			TOTAL.		
	M.	F.	T.	M.	F.	T.	M.	F.	T.	M.	F.	T.	M.	F.	T.
<i>Groups Not Expected to Seek Gainful Employment.</i>															
1. Housewives	---	55	55	---	20	20	---	15	15	---	12	12	---	102	102
2. Students	4	11	15	4	5	9	10	5	15	3	1	4	21	22	43
3. Infants	---	---	---	7	6	13	---	---	---	1	1	2	8	7	15
4. At Home	---	2	2	---	6	6	---	3	3	---	---	---	---	11	21
5. Retired	---	---	---	4	2	6	---	---	---	---	---	---	4	2	6
<i>Occupational Group Expected to Seek Gainful Employment.</i>															
1. Labourers and Unskilled Workers (Not Agriculture, Mining, or Logging)	29	---	29	3	---	3	9	---	9	---	---	---	41	---	41
2. Farmers and Stock Raisers	11	1	12	5	---	5	6	---	6	---	---	---	22	1	23
3. Loggers, Lumbermen, etc.	14	---	14	1	---	1	2	---	2	---	---	---	17	---	17
4. Not Stated	6	1	7	6	---	6	2	1	3	---	---	---	14	2	16
5. Domestic Servants, N.E.S.	1	11	12	---	1	1	---	1	1	---	---	---	1	13	14
6. Farm Labourers	10	---	10	1	---	1	2	---	2	---	---	---	13	---	13
7. Miners—Hard Rock	10	---	10	---	---	---	1	---	1	---	---	---	11	---	11
8. Other Clerical	4	3	7	1	---	1	1	---	1	---	---	---	6	3	9
9. Salesmen and Saleswomen	2	1	3	---	1	1	4	---	4	---	---	---	6	2	8
10. Carpenters	4	---	4	2	---	2	1	---	1	---	---	---	7	---	7
11. Nurses—Graduates	---	6	6	---	---	---	---	1	1	---	---	---	---	7	7
Painters, Decorators, and Glaziers	3	---	3	2	---	2	1	---	1	1	---	1	7	---	7
Waiters and Waitresses	3	3	6	---	---	---	---	1	1	---	---	---	3	4	7
Truck Drivers	5	---	5	---	---	---	1	---	1	---	---	---	6	---	6
12. Housekeepers, Matrons, and Stewardesses	---	4	4	---	1	1	---	---	---	---	---	---	---	5	5
Nurses in Training	---	5	5	---	---	---	---	---	---	---	---	---	---	5	5
13. Wood Turners, Planers, etc.	4	---	4	---	---	---	---	---	---	---	---	---	4	---	4
14. Barbers, Hairdressers, and Manicurists	2	---	2	---	1	1	---	---	---	---	---	---	2	1	3
Car Builders and Repair Men	3	---	3	---	---	---	---	---	---	---	---	---	3	---	3
Mechanics, N.E.S.	3	---	3	---	---	---	---	---	---	---	---	---	3	---	3
Physicians and Surgeons	3	---	3	---	---	---	---	---	---	---	---	---	3	---	3
Other Workers—Metal Products	3	---	3	---	---	---	---	---	---	---	---	---	3	---	3
15. Blacksmiths, Hammermen, and Forgemen	1	---	1	---	---	---	1	---	1	---	---	---	2	---	2
Bookkeepers and Cashiers	2	---	2	---	---	---	---	---	---	---	---	---	2	---	2
Chauffeurs and Bus Drivers	1	---	1	---	---	---	1	---	1	---	---	---	2	---	2
Compositors and Printers	1	---	1	---	---	---	1	---	1	---	---	---	2	---	2
Electric Light—Stationary, Enginemen, N.E.S.	1	---	1	---	---	---	1	---	1	---	---	---	2	---	2
Electricians and Wiremen	2	---	2	---	---	---	---	---	---	---	---	---	2	---	2
Mechanical Engineers	1	---	1	---	---	---	1	---	1	---	---	---	2	---	2
Other Entertainment	1	---	1	---	---	---	1	---	1	---	---	---	2	---	2
Railway Porters	---	---	---	2	---	2	---	---	---	---	---	---	2	---	2
Stenographers and Typists	---	1	1	1	---	1	---	---	---	---	---	---	1	1	2
Sub-totals	134	104	238	39	43	82	46	27	73	5	14	19	224	188	412
All Other Occupations (with Only One Person Shown in Each Case) ...	24	---	24	1	---	1	4	3	7	1	---	1	30	3	33
Totals	158	104	262	40	43	83	50	30	80	6	14	20	254	191	445

The information secured regarding these institutions was similar to that resulting from the questionnaire. It was not possible to secure information with regard to venereal disease patients under treatment; consequently these are not included in this survey and would constitute an additional burden on the public of this Province.

During the calendar year 1936, the latest period for which the information was available, 761 patients were admitted to mental hospitals in British Columbia. Forty-three patients in this group had resided three years or less in the Province at the date of their admittance, 24 of these being male and 19 female. The economic status of patients confined in mental institutions is defined in departmental records as: dependent, marginal, or comfortable; it was considered that these classifications correspond to some extent with the definitions used in the questionnaire survey which were: not able to pay, doubtful, or able to pay. Accordingly, as the following table indicates, only one of the 43 patients concerned could be classed definitely as able to pay, 27 could be considered doubtful, and the remaining 15 would probably not be able to pay either in full or in part. Residence was unknown for 176 patients.

INMATES OF BRITISH COLUMBIA MENTAL HOSPITALS ADMITTED DURING 1936 AND
RESIDENT THREE YEARS OR LESS IN THE PROVINCE.

Economic Status.	Sex.		Total.
	Male.	Female.	
Dependent	8	7	15
Marginal	16	11	27
Comfortable	---	1	1
Totals	24	19	43

Twenty-four of these patients were under 40 years of age when admitted, and it is reasonable to expect that a number will remain in the institutions for some years to come.

TUBERCULOSIS CONTROL.

At December 31, 1937, there were 1,419 patients on record in the Division of Tuberculosis Control, who had been reported during the year 1937. Of this number, 92 had resided in the Province three years or less, and it is this group of 92 persons which comprises the "group" referred to in succeeding paragraphs.

The group was made up of 58 males and 34 females. Some of them, 18 in number, were confined in institutions, but a larger proportion (67) were out-patients dwelling at home. All of the 18 tuberculosis patients confined in institutions were included in the direct questionnaire survey discussed elsewhere.

	Male.	Female.	Total.
Confined in institutions	12	6	18
At home	39	28	67
Not stated (but not in institutions)	7	---	7
Totals	58	34	92

Thirty-nine patients had resided in the Province less than a year at the date of their admittance during 1936. Twenty-six had resided in British Columbia between one and two years, while the balance of 27 had lived between two and three years in the Province before their admission as patients in 1936. The following table provides more detailed information on this point.

TUBERCULOSIS PATIENTS ON RECORD AS AT DECEMBER 31, 1937, SHOWING THE CASES REPORTED DURING 1936 BY LENGTH OF RESIDENCE IN BRITISH COLUMBIA AT DATE OF ADMISSION.

Length of Residence in British Columbia at Date of Admission in 1936.	SEX.		Total.
	Male.	Female.	
Under 1 year.....	21	18	39
1.0 year to 1.999 years.....	17	9	26
2.0 years to 2.999 years.....	20	7	27
Totals.....	58	34	92

As mentioned previously, the 18 tuberculosis patients confined in Provincial institutions were also included in the questionnaire survey, and as such they form a part of the various analyses derived from the questionnaires.

NEGLECTED CHILDREN UNDER CARE AND PERSONS TAKEN CARE OF UNDER
" UNMARRIED PARENTS ACT."

The total number of neglected children under care during the period April 1, 1936, to March 31, 1937, was 389, and the total number of cases cared for under the " Unmarried Parents Act " in the same period was 544. Information regarding the length of residence in the Province of these two groups is meagre, but it is reasonable to assume that a number have resided three years or less in the Province.

SUMMARY.

From this analysis it can be seen that of those having residence of three years or less in the Province who are inmates of our hospitals and other institutions where payment is expected for services rendered, that 52.8 per cent. were, in November, 1937, either actually public charges or likely to become such. The questionnaire also shows in gaols, prison farms, and industrial schools which are a responsibility of the Provincial Government, a total population at the same date of 686, and of this total 97 had resided in the Province three years or less.

The analysis shows further that during the calendar year 1936 alone, out of the total population of 761 admitted to mental hospitals in this Province during that year, 43 had resided three years or less in the Province.

Complete and accurate information with regard to the total movement of people from the Prairie Provinces or the character of that movement is not available, and cannot be until a proper census is taken. However, there is no doubt that this influx has in many cases put a severe strain on the social and educational institutions of the Province.

In order to get an illustration of this problem, particularly from the educational point of view, information was received with regard to the Matsqui-Sumas-Abbotsford educational area. The area covers 154.5 square miles or 98,886 acres, mostly rural. There are three high and sixteen elementary schools. In December, 1937, there was a total number of 1,694 pupils enrolled in the schools. Of this number, 246 had arrived in that area from the Prairie Provinces during the last three years. In addition, about 600 other families, not having children of school age, have settled in this area during the same period. It is estimated that of all new families arriving in this district, 95 per cent. are from the Prairie Provinces. There is no doubt that many of these people are an immediate asset to the Province, and it is likely that all of these

new arrivals are of a quality equal to those who have lived in the Province previously. They have migrated because of economic stress and undoubtedly in time a reasonable proportion of them will make good, but the immediate point at issue is that because of their economic position they become in many cases a direct and immediate public responsibility, and in all cases the Province has the responsibility of providing them with educational facilities and other social services. This is definitely to be looked upon as a national and not a Provincial problem.

THE PROBLEM OF RESPONSIBILITY.

The problem of indigency in this Province brings with it the problem of responsibility. On the basis of the B.N.A. Act certain responsibilities are placed on the Dominion and Provincial Governments, and certain taxing powers are allotted, and in the event of disagreement, final decision rests with the Privy Council in Great Britain. Further, provinces have delegated certain functions to the municipalities; these latter are really the agents for the provinces, and the problems and difficulties of the agents ultimately and inevitably must become the problems of the principals.

Difficulty has arisen from time to time in the administration of assistance to the indigent because of the difficulty of defining responsibility clearly. It is reasonable that the responsibility for a particular service should lie with the branch of the government best fitted to provide that service adequately and efficiently, and that the distribution of taxing powers should be in accordance with the allocation of responsibility. Further, the taxing powers should be so distributed as to attain the greatest degree of equity in the ultimate tax burden.

The principle upon which the B.N.A. Act appears to have been based is that the major responsibility for social services applies to the Provinces, and that they in turn are free to make what arrangements they desired with their own local Governments. The vagueness of the B.N.A. Act in regard to the responsibility for social services is largely due to the fact that many of the problems which have given rise to these services were then considered unimportant, or did not exist. The Dominion Government has wide powers of taxation. In practice it has been necessary for the Dominion Government to come to the assistance of the provinces with regard to certain services and to assume responsibility for others. The result has been something in the nature of a makeshift and has led to inefficiency and friction in administration.

It is essential that, in the near future, the responsibilities of the Dominion and the provinces for social services be more definitely established so that more efficient and permanent machinery may be set up. Jurisdictional disputes being fewer, co-operation between provinces and the Dominion Government will become more satisfactory.

For more efficient results it may be found that major changes in regard to responsibility may be necessary. Unemployment relief and certain health activities may come to be considered as purely national problems. That the latter cannot be satisfactorily carried out through unrelated activities of separate Provinces is shown by the following statement:

"When it is remembered also that about 2 per cent. of the people of Canada (over 200,000) are ill in bed on a given day, and furthermore that, according to medical authorities, fully 50 per cent. of this illness (over 100,000) is preventable through proper preventive treatment, the national character of the challenge to better health is at once obvious. Surely technicalities in the B.N.A. Act should not be allowed to stand in the way of a co-ordinated national attack on the health situations in the Provinces.

"Great national scourges that ignore provincial boundary lines—such as cancer, tuberculosis, venereal disease and mental illness—can best be attacked by the unity, rather than by nine more or less sporadic provincial attacks. Provincial administration of our health services is desirable; but federal aid and leadership are also essential for the achievement of the best results."⁸²

When it has been determined what is the proper agency to perform specific social services, the question of adequate income automatically arises. The question of taxing power should be based on the question of proper responsibility. Unless each Province and the Dominion have sufficient sources of revenue to carry out their responsibilities, any distribution of functions will be largely useless.

Due consideration must also be given the question of equity. Apart from adequacy of revenue it is of vital importance that the taxing powers possessed by the Dominion and the Provinces be of a character that will fall most fairly, having due regard to the nature of the services performed by both governing powers respectively. Fees and licences should not become, under the stress of poverty, taxes for general revenue. Social services should not become a burden on land owners. On the grounds of financial necessity a great number of social services in British Columbia have been imposed on the municipalities. As these bodies have only one important source of income (land and to a lesser extent improvements) certain difficulties have arisen. On the surface this may seem to be a purely provincial matter, but actually it is part of the problem of Dominion-Provincial relations.

British Columbia has been faced with rapidly increasing costs for types of services never conceived of when the division of responsibilities and taxing powers between the Dominion and provinces was determined by the B.N.A. Act of 1867. The result has been that the existing sources of revenue have been badly strained. The privilege of taxing the valuable land within municipal boundaries had been given to the local governing units. To have taken this back, and offered something less, would have created a tremendous disturbance. Instead the Provincial Government placed many additional responsibilities on municipalities. (The development of financial devolution in regard to educational costs is typical and extraordinarily illustrative). Due to the force of circumstances land has been forced to absorb a heavy burden, and considerable inequity has resulted. While some might blame the Provincial Government, it must be obvious that circumstances beyond its control, and in large measure resulting from the provisions of the B.N.A. Act, have brought about this result. Thus, although it may seem paradoxical, the distress of the municipalities is an index of the distress of the Provincial Government. The Province cannot relieve the distress of the municipalities unless the weight is lifted from its own shoulders or the means of carrying it improved.

EDUCATION.

THE GROWTH OF THE PUBLIC SCHOOL SYSTEM.

The present school system in British Columbia came into operation sixty-five years ago. In 1872-1873 there were twenty-five school districts with 1,028 students enrolled, at a total cost of \$41,133.50.

(82) Typewritten "Copy of an Address given by Dr. G. M. Weir, Provincial Secretary, October 9, 1934"; Legislative Library, pp. 6 and 7.

The steady growth of the system is shown in Table 74. This growth is shown at five-year intervals, and information is given regarding the number of school districts, the total enrolment, the average total attendance, the percentage of the attendance to the enrolment, and the total cost of the system borne by both the Province and the municipalities. The lower costs during the War were made possible by teachers accepting relatively lower salaries. The larger expenditures following the War were due to the increase in salaries and overdue improvements in equipment. The higher level of prices was also a factor, as well as the inauguration of new services. During the recent depression the curtailment of expenditures has been necessary, and a similar situation has arisen with regard to capital equipment, so that larger expenditures will likely be required in the future.

Table 75 shows the total cost of education as borne by the Provincial Government and the school districts from 1871-72 to 1935-36. This does not include any income from fees or other sources which might have accrued.

TABLE 74.
GROWTH OF THE PUBLIC SCHOOL SYSTEM, 1872-73 TO 1932-33.
(Shown at 5-Year Intervals.)

Year.	Number of School Districts.	Enrolment.	Average Daily Attendance.	Percentage.	Total Cost.
1872-73	25	1,028	575	55	\$41,133.50
1877-78	45	2,198	1,395	63	48,411.14
1882-83	59	2,693	1,383	51	60,758.75
1887-88	104	6,372	3,093	48	113,679.36
1892-93	169	11,496	7,111	61	215,056.22
1897-98	213	17,648	11,055	62	425,555.10
1902-03	268	24,499	16,357	66	604,357.86
1907-08	189	33,314	23,195	69	1,220,509.85
1912-13	359	57,608	43,274	75	4,658,894.97
1917-18	575	67,516	54,746	81	3,519,014.61
1922-23	744	94,888	77,752	81	7,630,009.54(1)
1927-28	788	108,179	91,760	84	9,261,094.98(1)
1932-33	821	116,818	104,978	89	8,941,497.34(1)

(1) This includes the Provincial Grant to the University of British Columbia, but does not include expenditures by this institution.

SOURCE: British Columbia, Department of Education, Annual Reports.

TABLE 75.
SHARE OF TOTAL COST OF EDUCATION BORNE BY THE PROVINCE AND LOCAL AREAS, 1871-72 TO 1936-37.

School Year.	Expenditure by Provincial Government.	Expenditure by Local Districts.	% of Provincial Expenditure of Total.	% of Local Expenditure of Total.	Total Expenditure.
1871-72	\$11,540.95	-----	100	0	\$11,540.95
1872-73	41,133.50	-----	100	0	41,133.50
1873-74	44,534.85	-----	100	0	44,534.85
1874-75	43,220.80	-----	100	0	43,220.80
1875-76	68,691.31	-----	100	0	68,691.31
1876-77	45,349.84	-----	100	0	45,349.84
1877-78	48,411.14	-----	100	0	48,411.14
1878-79	43,311.92	-----	100	0	43,311.92
1879-80	47,006.10	-----	100	0	47,006.10
1880-81	49,846.07	-----	100	0	49,846.07
1881-82	58,514.67	-----	100	0	58,514.67
1882-83	60,758.75	-----	100	0	60,758.75

TABLE 75—Continued.

SHARE OF TOTAL COST OF EDUCATION BORNE BY THE PROVINCE AND
LOCAL AREAS, 1871-72 TO 1936-37—Continued.

School Year.	Expenditure by Provincial Government.	Expenditure by Local Districts.	% of Provincial Expenditure of Total.	% of Local Expenditure of Total.	Total Expenditure.
1883-84	68,953.57	-----	100	0	68,953.57
1884-85	79,701.10	-----	100	0	79,710.10
1885-86	98,616.14	-----	100	0	98,616.14
1886-87	106,226.64	-----	100	0	106,226.64
1887-88	113,679.36	-----	100	0	113,679.36
1888-89	125,819.46	\$11,344.19	91	9	137,163.65
1889-90	143,633.64	14,427.51	90	10	158,061.15
1890-91	154,294.96	17,015.62	90	10	171,310.58
1891-92	173,378.53	34,441.85	84	16	207,820.38
1892-93	174,775.43	40,280.79	81	19	215,056.22
1893-94	195,911.53	51,569.54	79	21	247,481.07
1894-95	208,000.60	51,438.28	80	20	259,438.88
1895-96	234,335.04	48,808.54	83	17	283,143.58
1896-97	236,681.32	93,388.26	72	28	330,069.58
1897-98	290,255.26	135,299.84	68	32	425,555.10
1898-99	336,016.30	85,335.34	80	20	421,351.64
1899-00	307,479.00	81,888.39	79	21	389,367.39
1900-01	350,532.31	182,160.18	66	34	532,692.49
1901-02	438,086.20	150,481.52	74	26	588,567.72
1902-03	473,802.29	130,555.57	78	22	604,357.86
1903-04	453,313.00	144,451.32	76	24	597,764.32
1904-05	479,158.30	249,891.47	66	34	729,049.77
1905-06	444,542.88	244,197.68	65	35	688,740.56
1906-07	474,608.11	390,163.00	55	45	864,771.11
1907-08	544,671.60	675,838.75	45	55	1,220,509.85
1908-09	626,074.19	921,626.22	41	59	1,547,700.41
1909-10	818,575.90	1,098,660.40	43	57	1,917,236.30
1910-11	1,001,807.99	1,639,714.10	39	61	2,641,522.09
1911-12	1,151,714.70	2,730,773.77	30	70	3,882,488.47
1912-13	1,663,003.34	2,995,891.63	36	64	4,658,894.97
1913-14	1,885,654.11	2,749,223.45	41	59	4,634,877.56
1914-15	1,607,650.83	2,309,795.22	41	59	3,917,446.05
1915-16	1,591,322.43	1,625,027.53	50	50	3,216,349.96
1916-17	1,600,124.89	1,637,539.08	49	51	3,237,663.97
1917-18	1,653,796.60	1,865,218.01	47	53	3,519,014.61
1918-19	1,791,153.47	2,437,566.45	42	58	4,228,719.92
1919-20	2,155,934.61	3,314,245.76	39	61	5,470,180.37
1920-21	2,931,572.25	4,238,457.25	41	59	7,170,029.50
1921-22	3,141,757.95	4,691,840.25	40	60	7,833,578.20
1922-23	3,176,686.28	4,453,323.26	41	59	7,630,009.54
1923-24	3,173,395.26	5,023,301.48	39	61	8,196,696.74
1924-25	3,223,670.82	5,105,417.63	39	61	8,329,088.45
1925-26	3,216,209.05	5,095,419.82	39	61	8,311,628.87
1926-27	3,402,941.25	5,769,787.46	36	64	9,172,728.71
1927-28	3,532,518.95	5,728,576.03	38	62	9,261,094.98
1928-29	3,765,920.69	7,384,075.58	34	66	11,149,996.27
1929-30	3,743,317.08	6,264,938.58	37	63	10,008,255.66
1930-31	3,834,727.19	6,226,660.80	38	62	10,061,387.99
1931-32	4,015,074.37	5,704,759.44	41	59	9,719,333.81
1932-33	2,849,972.02	6,091,525.32	32	68	8,941,497.34
1933-34	2,611,937.80	5,601,431.24	32	68	8,213,369.04
1934-35	2,835,040.74	5,623,115.26	33	67	8,458,156.00
1935-36	2,972,385.04	5,802,968.74	34	66	8,775,353.78

SOURCE: British Columbia, Department of Education, Annual Reports.

Part of the Province is organized into municipalities classed as City and as District municipalities. Each of these constitutes a Municipal School District, although the boundaries may be extended by the Council of Public Instruction, that is, the Cabinet, if considered expedient, so as to include for educational purposes only any area of adjoining territory that is not within a municipality.

The part so organized is but a small fraction of the total area of the Province, being about one-half of one per cent. Each of these districts elect a Board of School Trustees whose powers and duties are to provide and administer the services of education subject to the provisions of the Public Schools Act.

These municipal school districts are divided into the following sub-classes :

- (a) City school districts of the first class having a daily average attendance of 1,000 or over.
- (b) City school districts of the second class having a daily average attendance of between 250 and 1,000.
- (c) City school districts of the third class having a daily average attendance of less than 250.
- (d) District Municipality school districts.

The remainder of the Province is considered unorganized territory, and the responsibility of administering this vast area rests directly upon the Provincial Government. Under the authority vested in it, the Council of Public Instruction creates, as need requires, rural school districts throughout this area. These districts are subject to local assessment and so are in large measure financially self-supporting, although they receive in addition all the usual grants and in several particulars, special treatment. (Many of these schools, prior to an Order of the Council of Public Instruction of June 13, 1933, were largely supported by the Government.)

Thus the Province consists of municipal and rural school districts, all of which are largely self-supporting, assessments from the former going to the local municipal council and from the latter to the Provincial Government; in addition both receive grants from the Provincial Treasury as refunds for advances.

There are also community school districts for Doukhobours. These have the same status as rural school districts but are without exception administered by Official Trustees.

Under the present Act, although all school districts are administered by a local Board of School Trustees, the Council of Public Instruction may replace a local Board with an Official Trustee. In practice this is only done when the change is recommended by an inspector, and public feeling is in favour of such a move. It sometimes happens that the local administrative machinery breaks down due to neglect or even perhaps to there being nobody in the district eligible to seek election.

At present the Province is extending many aids to the school districts. The most important aid is towards teachers' salaries. Other important aids enjoyed at present are that sums may be paid at the discretion of the Council of Public Instruction towards the establishment and maintenance of any school in a rural or community school district.⁸³

(83) British Columbia, Revised Statutes, 1936, Chapter 253, Section 22 (1).

Any school district giving satisfactory courses in manual training, or in home economics, or in agricultural, commercial, technical, or vocational education, or in physics or chemistry may receive grants up to one-half the cost of additional and necessary equipment with a limit of \$500 in respect to any one course.⁸⁴

Districts establishing or adding to their library are eligible with certain limits, to receive an equal amount from the Government,⁸⁵ and

"When the Board of School Trustees of any school district maintains a technical school pursuant to this Act, there shall be granted by the Council of Public Instruction and paid to the Board from the Provincial Treasury such sums by way of assistance towards equipment, instruction, and supervision as the Council in each case may from time to time determine."⁸⁶

Similar provisions apply to night schools.⁸⁷ Aid is also given in the matter of conveyance of children to school.⁸⁸

The Lieutenant-Governor in Council has power to grant school reserve and Crown lands to Boards of School Trustees.⁸⁹

These Provincial aids are conditional on the manner in which the local district and Board are conducted, as outlined in Section 20 of the Revised Statutes of 1936.

Certain problems are in large measure peculiar to British Columbia and are due to the varied conditions to be found in the Province. An idea of these varied conditions can be obtained from the following extract:

"Elementary school pupils are housed and taught in buildings and environment of great variety and marked contrast. Some are in modern city buildings as complete as are to be found on the American continent. Others are modest but comfortable frame buildings in small towns or amid ideal rural surroundings. Many are in remote and lonely places beside a lake, under a towering mountain capped by snow, or on an arid plateau where all vegetation is brown and dusty. Some are on beautiful but lonely islands in the Pacific, where the settler is part farmer, part fisherman, and part lumberman. Some are on steep mountain sides in 'Company Towns,' where tall chimneys of pulp-mill or smelter form the centre of a busy industrial life. Some are close to the water on an arm of the sea, which is the outlet of a salmon river, and the site of a canning factory, and some stand on ground over coal-mines. Some have ideal surroundings, but the school buildings themselves are primitive and very small. Many are built of logs. Some are not larger than 15 x 18 feet with a ceiling just above your head.⁹⁰ Some have attractive grounds, some have bare and unattractive yards, and some are built on rocks. In a number of them the children show unmistakable signs of Indian blood. Some of these buildings are tidy and clean inside, and some are sadly in need of paint, whitewash and soap."⁹¹

British Columbia is essentially a primary-producing area, and its principal industries are of an extractive nature. Accordingly, the population is to be found in scattered communities. The result is additional expense as shown in the following quotation:

(84) *Op. cit.*, Section 23 (1).

(85) *Ibid.*, Section 24 (1).

(86) *Ibid.*, Section 25.

(87) *Ibid.*, Section 26.

(88) *Ibid.*, Section 27.

(89) *Ibid.*, Section 28.

(90) School buildings have improved since this was written in 1925.

(91) "Survey of the School System," J. H. Putman and G. M. Weir, 1925, p. 20.

"Many of these inspectors spend nearly all their time in organizing new schools in pioneer districts or in arranging to close up a school where for some reason—the exhaustion of timber supply in a sawmill region or the 'petering out' of a mining camp—there are no longer children enough to keep a school in operation. In this connection tribute should be paid to the liberality of the Government, which allows no school to close as long as there are at least six pupils in attendance."⁹²

The Council of Public Instruction is given a considerable amount of control. Such important matters as what the compulsory age for school attendance shall be, who shall be eligible to teach, what shall be taught, when schools shall close, and when they shall be established, are determined by Provincial Statute, or by virtue of such authority. But within these broad limits local Boards are allowed a considerable degree of latitude. The standard of the local schools is largely determined by the Board of School Trustees. The character of the school buildings and the salaries paid above the basic salary can be determined by local judgment.

The school levy, in municipalities (not including Village municipalities) takes the form of a tax rate applied to the assessed value of the land, and sometimes the improvements, in the municipality. By law, City and District municipalities are not allowed to assess improvements for taxation purposes at over 75 per cent. of their value.

This limit is not so important in practice as the municipalities prefer not to assess improvements as high as 75 per cent. In 1936, out of 33 cities (including Vancouver) 4 did not tax improvements at all, 7 cities taxed them at between 1 and 25 per cent., 20 cities between 26 and 50 per cent., and 2 cities between 51 and 65 per cent.; out of 28 districts 7 did not tax improvements at all, 5 did, but only at between 1 and 25 per cent. of their value, 16 between 26 and 50 per cent. actual value, and none at over 50 per cent.⁹³ In most of these municipalities the total value of the improvements is far greater than the total value of the land. Yet the improvements, although the major part of the total real estate values in the area are taxed very lightly, while the land, which is the lesser part, bears most of the tax burden.

Because of these variations in the manner in which improvements are taxed the school rate varies in different municipalities. The present basis of making Provincial grants in aid of teachers' salaries (being based in part on the assessed value of the land plus 75 per cent. the assessed value of the improvements) to local school districts is an attempt to equalize these differences. But the real trouble is the inequitable and varying manner in which land is taxed but not improvements. Another complication is that municipalities do their own assessing and these assessments are not in line with one another.

From 1871 to 1888 the total cost of public education was borne by the Provincial Government. From 1888–1889 the school districts have paid an increasingly large share of the total cost. In 1907 the point was reached where both the Province and the school districts were paying approximately equal amounts.

The process of transference of responsibility from the Provincial Government to local school districts was a gradual one, but the year 1893 marked a fundamental change.

(92) *Op. cit.*

NOTE.—Minimum number of pupils more recently raised to eight. Comparatively little of inspectors' time is now used in organizing new districts.

(93) British Columbia, Department of Municipal Affairs, Annual Report, 1936.

"In this year an amendment to the Public Schools Act provided that the salaries of the teachers in these cities should be fixed and paid at the discretion of the School Trustees and such salaries and all other ordinary expenses should be borne and paid by the Municipal Corporations. The government grant to these cities for education became at the same time a per capita grant of \$10, paid quarterly by the Minister of Finance out of the Consolidated Revenue Fund and based on the average daily attendance of pupils for the half-year preceding the payment."⁹⁴

The City school boards were also allowed the Provincial Revenue Tax.⁹⁵ It will be noted that the local board now fixed the salary; previously this had been done by the Province. In regard to the new fiscal relationship the Technical Adviser to the British Columbia Commission on School Finance had the following to say:

"Up to this time one might say that the cities were helping the Government to pay the cost of education. Beginning with 1893 the conditions are reversed, and the Government is helping the cities to pay the cost of education."⁹⁶

This arrangement applied only to those municipal school districts which were situated within City municipalities. The Province still paid the entire cost of education in district municipalities and in unorganized territory. It is not necessary here to give in detail the story of this development.

In 1893 grants to schools were made on the per capita pupil attendance basis. This was found to be unsatisfactory, and in 1905 the grant was made on the basis of the teacher's salary.

The process of devolution and the development of local financial responsibility was continued until today all school districts, municipal and rural, are legally required to contribute to the cost of education. The responsibility was first placed on the cities of Vancouver, Victoria, New Westminster, and Nanaimo, then on all cities, then on all municipalities and regularly organized rural school areas, and finally on all school districts.

In 1933 Provincial grants to schools were placed on the assessment basis. The assessed value of the land in the school district, plus 75 per cent. of the assessed value of the improvements, is taken as the rate base for computation purposes. Teachers are divided into four classes, and basic wages are established for each of these classes. In order to ascertain the responsibility of the school district, a mill rate is applied to the rate base, and this levy will yield in theory a certain sum. This sum is divided by the number of teachers of a particular class employed in the school district, and this represents the amount per teacher for which the local board is responsible. The difference between this amount and the basic wage becomes the amount of the grant from the Provincial Treasury for each teacher in that class employed. Anything paid above the basic wage is the responsibility of the local board. Teachers at present are divided into four classes:

- (1) high school teachers,
- (2) junior high school teachers, principals of superior schools, nurses and dental surgeons,
- (3) elementary school teachers where no junior high school exists,

(94) "The History of Education . . . etc.," by D. L. MacLaurin, 1935, page 2133.

(95) British Columbia, Statutes, 1893, c. 41.

(96) "School Finance in British Columbia," by H. B. King, 1935, page 10.

(4) elementary school teachers where there is a junior high school in the district.⁹⁷

The formula for the grant paid by the Province in respect to each teacher employed, when the basic salary is paid, is:

$$\text{Basic salary minus } \frac{\text{Rate base} \times \text{appropriate mill rate}}{\text{Number of teachers employed}}^{98}$$

A different mill rate is applied for different classes of teachers and school districts.

In rural school districts revenue is obtained for school purposes from the personal property tax and also from the tax on real property. In municipalities personal property may not be taxed for this purpose. In school districts where improvements are not assessed, a higher rate may be applied to a restricted rate base consisting of land alone. Thus there results a very heavy burden on land. The following quotation indicates the inequitable tax burden that results in many cases from this system:

"You may find a school section . . . where there are fifty small holdings and ten large farms. The farms pay nearly all the school tax and the small holdings supply the children."⁹⁹

Many of our District municipalities are predominantly rural, and yet a small area of the municipality, close to a city, may have a large residential population on behalf of which many costly social services are operated to be paid for by the landowners. The danger in transferring more and more financial responsibility to the municipalities from the Province is that the municipalities have only one important revenue source, and while this is productive, there is a limit to the yield. The Province, on the other hand, has a wider variety of revenue sources.

This whole question is of course irrevocably tied up with the larger questions of Dominion-Provincial-Municipal responsibilities and taxing powers. In his Report, the Technical Adviser to the British Columbia Commission on School Finance wrote:

"It has been obvious, especially within the last year or two, that no adjustment of the taxation system can be made without a change in the financial relations of the Dominion and the Provinces, and a reshifting of sources of revenue and of responsibilities between the two. No piecemeal solution having to do with taxation for school purposes can be successful apart from a general recasting of the entire system as it affects Dominion, Provinces, and Municipalities . . . A solution which might make provision for education alone merely shifts the problem, and while it would be of advantage for the immediate future to have what might appear a secure provision for the financing of education, before long new problems arising from the lack of proper adjustment between the Provinces and the Dominion would affect the financing of education along with the financing of all other Provincial activities."¹⁰⁰

The question of control is linked up to some extent with the problems of finance. Local control is very considerable, especially when the situation today is contrasted with that of sixty years ago. The following is a description of the trend that has been manifested:

(97) British Columbia, Revised Statutes, 1936, Chapter 253.

(98) In districts where Junior High Schools are established the number of elementary teachers used in computation of grants is the actual number plus two-thirds of the number of junior high school teachers.

(99) "Survey of the School System," by J. H. Putman and G. M. Weir, 1925, page 272.

(100) "School Finance in British Columbia," by H. B. King, 1935, page 80.

"Beginning with a highly-centralized system in 1871, in practice controlled from Victoria by one man, the school administration has developed in the direction of local control until its cities, district municipalities, and regularly organized rural sections have as much voice in school affairs as the older Provinces of Canada, and the States of the American Union, the only marked difference being that the Provincial Treasury bears a larger proportion of the total cost of education than is borne by any other province or state in America."¹⁰¹

In practice the local bodies are subject to regulations passed by the Council of Public Instruction. But a great many details that arise in practice are left to the discretion of the local Board, and within these limits the policy of the local Board may very considerably influence the cost of education in that area. An extravagant Board could spend much more than the amount actually necessitated by Provincial regulations. Local Boards have great leeway in the matter of school buildings; all that the Provincial Government requires is that the building used is suitable, has adequate sanitary arrangements, is heated if necessary, and has fire-escapes, etc., if these are required, but no maximum is set. In regard to teachers' salaries the local Boards can pay as high a salary as they wish. Local Boards could, if they desired, supply text books free to pupils. There is no limit to the additions they may make to their libraries.

The Province has determined the age limits between which children must attend school; it has also largely determined the curriculum, and in regard to quality it sets basic standards. Thus municipal areas, which pay most of the bill, are allowed to determine what additional services the local district will provide.

The appointment of an Official Trustee is a comparatively recent innovation in the history of public school administration in this Province. It has resulted in greater efficiency and economy. In small rural school districts it is inefficient to have three school trustees administering one school serving, perhaps, the educational needs of six or eight children. This system was first inaugurated in 1919.¹⁰² Upon the appointment of such an official by the Council of Public Instruction the trustees for the district shall cease to hold office. The Official Trustee possesses all the powers of a local Board, and in addition he may be given, by the Council of Public Instruction, any or all powers that he would normally have to be given by the voters.

HEALTH INSPECTION.

In 1905 it was provided that teachers should report any appearance of an infectious or contagious disease.¹⁰³ In 1920 Boards of School Trustees were empowered to employ nurses and dental surgeons, and the Provincial Government undertook to make grants in aid towards their salaries.¹⁰⁴ In 1910 there was passed a "Schools Health Inspection Act"; at least once a year teachers, children, and the premises had to be inspected by a duly qualified medical practitioner. The sight and the hearing of the pupils was also to be examined, and any defect reported to the parent or guardian. It was the duty of the school

(101) "Survey of the School System," by J. H. Putman and G. M. Weir, 1925, page 19.

(102) British Columbia, Statutes, 1919, Chapter 75.

(103) *Ibid.*, 1905, Chapter 44.

(104) *Ibid.*, 1920, Chapter 82.

Board to see that the Provisions of the Health Act were carried out.¹⁰⁵ This was made mandatory only for municipal school districts in 1927, the other school districts being empowered to undertake such a service at their discretion.¹⁰⁶ In 1932 appointments by school Boards had to have the sanction of the Council of Public Instruction and the Provincial Board of Health.¹⁰⁷

NORMAL SCHOOLS.

Two normal schools are operated by the Provincial Government: one, established in 1901, in Vancouver, and the other in Victoria, established in 1915. Both of these include Model School sections. In 1931 attendance at these schools was limited to 140 in Victoria and 220 in Vancouver, and in 1932 the tuition fee was raised to one hundred dollars per annum¹⁰⁸ and is now one hundred and thirty-five dollars.

CORRESPONDENCE COURSES.

British Columbia was the first Province in Canada to conduct education by correspondence. This was inaugurated in 1919 with courses in mining, followed by courses in elementary subjects for children in isolated districts. These courses now cover elementary and high school subjects and are for pupils who are unable to attend a public school.¹⁰⁹

Pupils eligible for Correspondence Instruction in elementary subjects are:

- (1) Those residing over three miles from the nearest elementary school which is open.
- (2) Those residing three miles or less from a public school or from a point at which the school bus stops who for some special reason cannot attend school. In these cases, the application must be accompanied by a statement from a doctor or other responsible official recommending that the pupil be enrolled.

The following Table shows the enrolment in elementary correspondence courses:

Enrolment.	1934-35.	1935-36.	1936-37.	Dec., 1937.
Grade I.....	127	166	168	158
Grade II.....	115	131	171	151
Grade III.....	142	120	132	115
Grade IV.....	115	136	122	109
Grade V.....	117	113	115	84
Grade VI.....	82	96	98	101
Grade VII.....	97	78	93	97
Grade VIII.....	91	85	94	74
	886	925	993	889
Adult Class.....	211	335	147	86

Average Cost per Pupil (School Year 1936-37). Based upon the total enrolment, the average cost per pupil for the entire school year was \$13.68. This includes the cost of writing, printing, distributing, and marking lessons

(105) *Op. cit.*, 1910, Chapter 45.

(106) *Ibid.*, 1926-1927, Chapter 63.

(107) *Ibid.*, 1932, Chapter 46.

(108) "History of Education . . . in British Columbia," by Dr. D. L. MacLaurin, 1935, page 182.

(109) British Columbia, Statutes, 1929, Chapter 55.

but not the cost of postage, text-books and the Travelling Library. A study of geographic distribution of pupils in the correspondence schools indicates the scattered nature of the population in British Columbia.

Distribution of Pupils.

District.	No. of Pupils.
1. Atlin-Telegraph Creek.....	1
2. Peace River.....	50
3. Prince Rupert-Smithers.....	67
4. Fort Fraser-Fort George.....	78
5. Cariboo.....	83
6. Vancouver Island.....	171
7. Lower Mainland.....	151
8. Okanagan.....	172
9. Kootenay.....	103
(Outside of Province, 13 pupils.)	

High School Correspondence Courses were commenced in British Columbia in 1929 in order to afford a measure of secondary education to young people living at distances from high schools. More recently the scope of the work has been extended to include vocational training along technical lines and also to provide means of supplementing the instruction given in the smaller high schools of the Province. This latter is of particular value in the small schools where it is difficult to provide adequately for instruction in a full high school course. The total cost to the Provincial Government in 1936-37 was as follows:

High School Courses, including Commercial.....	\$26,897.13
Technical-Vocational courses (Adult Education vote)	3,347.89
Total Cost	\$30,245.02

In addition to serving the needs of families out of reach of schools there are several other groups participating in correspondence courses:

- (1) Patients in Sanatoria, the Solarium and in Hospitals generally.
- (2) Young persons engaged in either full-time or part-time employment and unable to attend school.
- (3) Inmates of the Okalla Prison Farm.
- (4) Students in the Boys' and Girls' Industrial Schools.
- (5) Young men indentured as apprentices under the B.C. Apprenticeship Act who cannot get the special courses desired in technical and night schools.
- (6) Adults in any part of the Province who wish to improve their general education or to receive training along technical or vocational lines.
- (7) Students enrolled in high and superior schools who are unable to obtain instruction in certain subjects in those schools.

There are no age-limits, and it is now possible for any person with sufficient scholastic ability to profit by the instruction to register for suitable courses.

Fees are charged ranging from \$2.00 to \$10.00 depending on the type of course taken.

The enrolment for the high school courses, year 1936-1937 was 2,068. The following Table shows the percentage of students enrolled living at various distances from the nearest high school:

	Per Cent.
Between 3 and 10 miles.....	44
From 11 to 20 miles.....	23
From 21 to 30 miles.....	12
From 31 to 40 miles.....	7
From 41 to 50 miles.....	4
From 51 to 75 miles.....	5
From 76 to 100 miles.....	3
Over 100 miles.....	2

Five students reported living more than 200 miles from a high school and two over 500 miles.

The following Table shows the occupations of the fathers of the students:

	Per Cent.
Farmers and ranchers.....	33
Mercantile (store-keepers).....	9
Transportation (railways and steamships, etc.).....	5
Unskilled labour.....	4
Skilled labour.....	14
Lumbering.....	4
Teaching.....	4
Civil Service.....	4
Retired.....	4
Professional.....	3
Mining.....	3
Unemployed.....	3
Fishing.....	1
Miscellaneous.....	1
Deceased.....	8

TEXT-BOOK BRANCH.

In 1908 a Free Text-book Branch was organized within the Department of Education, and the policy was adopted of lending to the pupils through the schools elementary texts, while maps and other supplies were given free.¹¹⁰ In the interval certain modifications in the manner of handling the free text books have been made, but in 1932 the original plan of lending to pupils through the schools was re-established.

SCHOOL FOR THE DEAF AND THE BLIND.

In 1920 a School for Deaf and Blind children came under the control of the Department of Education,¹¹¹ and provision has been made to admit children from other Provinces. Prior to the establishment of this school such children were sent to other schools in Canada or in the United States, and the costs were borne by the Provincial Government.

(110) "History of Education . . . in British Columbia," by D. L. MacLaurin, 1935, page 192.

(111) *Ibid.*, page 195.

TEACHERS' PENSIONS.

In 1929 the "Teachers' Pension Act" was passed,¹¹² in order to make provision for the superannuation of teachers on retirement.

Four per cent. of a teacher's salary is deducted and this, after a certain number of months, becomes credited to him in a special account. Five per cent. interest is allowed on this amount. If a contributor is over 35 years of age he may request to have an additional portion of his salary deducted and placed to his credit, but this may not be over 8 per cent.; five per cent. interest is allowed on this. In addition a contributor may place additional sums in his account upon which 5 per cent. is allowed. At a certain age, or at death, etc., the amount paid is the amount contributed, plus accrued interest, plus additional investments with accrued interest and in addition "such sums as double that amount of his credit in the Teachers' Pensions Fund would entitle him to according to the prescribed tables then in force."¹¹³

The liability of the Provincial Government is the cost of administration, an annual grant of \$26,000 over a period of ten years ending March 31, 1938, the guarantee of 5 per cent. interest, and the dollar for dollar contribution by the Provincial Treasury to the contributor's pension.

EDUCATION OF SOLDIERS' DEPENDENT CHILDREN ACT.

This Act was passed in 1930 and has not been amended in any important particular. A Commission is appointed to administer the Act. Members of the Commission may not be paid, but their travelling expenses are refunded.¹¹⁴ The purpose of the Act is to assist in providing high school education for children of men who joined in this Province for service in the Great War and who were engaged in active service either at home or abroad. Assistance is not to be in excess of \$250 a year, and in the event of receiving a Dominion Pension, only the balance shall be paid by this Province.¹¹⁵ Assistance shall not be for more than four years.¹¹⁶

INCIDENCE OF EDUCATION COSTS.

It has long been recognized that the system of financing education in this Province mainly through taxing land has resulted in inequities. In 1925 it was stated:

"... the school taxation problem in British Columbia is acute and can be permanently settled only through a radical change, first in the method of distributing provincial aid, and second by finding additional sources of income."¹¹⁷

"No single basis of estimating the burden being borne for school taxation tells the whole story. The rate may be high but levied on land only, or an assessment that is below real value. Or a rate may be comparatively low and levied on an inflated assessment. The school tax per head of total population may be comparatively low and yet burdensome because of the small *per capita* wealth."¹¹⁸

A committee was appointed in 1934 to study and report on education finance in this Province, and recommended as follows:—

(112) British Columbia, Statutes, 1929, Chapter 62.

(113) British Columbia, Revised Statutes, 1936, Chapter 283, section 14 (1).

(114) British Columbia, Statutes, Chapter 15, section 11.

(115) *Ibid.*, section 4.

(116) *Ibid.*, section 5.

(117) "Survey of the School System," by J. H. Putman and G. M. Weir, 1925, page 271.

(118) *Ibid.*, page 275.

- (1) The Provincial Government should take over the complete financial responsibility for education with the exception of sinking fund provisions (i.e., the school districts to be only liable for capital works).
- (2) That a uniform Provincial tax be levied on the *total* assessed value of *all* real property, land *and* improvements, *wherever situated* in the Province.
- (3) That the personal property tax in extra-municipal areas be abolished.
- (4) That the remaining cost of education to be borne out of the Consolidated Revenue Fund.
- (5) That the necessary additional Provincial Revenue be obtained through *either* an increase in rate of 1 or 2 per cent. on all incomes over \$50.00 per month, *or* a general retail sales tax of 1 per cent., *or a combination of both*.¹¹⁹
- (6) That the present multiplicity of school boards be abolished and the Province be divided into larger administrative units (patterned on the present inspectorial divisions) each to be under the control of a Director of Education appointed by the Superintendent of Education.
- (7), (8), (9), and (10) were concerned with how these recommendations should be implemented and dealt with questions of administration.
- (11) That assessments in different areas should be brought into line; at present some are inflated and others deflated.
- (12) That no other relief would have to be granted the municipalities if the cost of education was taken off their shoulders.¹²⁰

Adjustment of educational finance in this Province is largely a part of the complete adjustment of Provincial-Dominion finance; the minor adjustment is impossible without the larger.

DOMINION ASSISTANCE TO EDUCATION.

By the Terms of the B.N.A. Act education is a responsibility of the Province, but in certain fields assistance has been given by the Dominion, on a conditional basis. The first conditional subsidy granted by the Federal Government to the Provinces was a temporary grant in aid of agricultural instruction.

Agricultural Education.

The "Agricultural Aid Act" was passed in 1912 as an experimental measure to discover what ways the Dominion could best co-operate with the Provinces, pending the adoption of a definite federal policy. Five hundred thousand dollars was appropriated to be paid to the Provinces for the benefit of agriculture, and this was to be apportioned among the Provinces on the basis of population. Expenditures under the grant were subject to approval by the Dominion Minister of Agriculture and had to be embodied in an agreement approved by the Governor-in-Council.

(119) The Sales Tax is regressive in its incidence, and so, if used, would probably have to be in combination with an increased income tax base plus higher proportionate rates on larger incomes.

(120) "School Finance in British Columbia," by H. B. King, 1935, pages 4 and 5.

In 1913 the "Agricultural Instruction Act" superseded the "Agricultural Aid Act," and embodied a definite federal policy in aid of instruction in agriculture. The sum of \$10,000,000 was appropriated for a ten-year period. Twenty thousand dollars was to be paid each year to each Province, \$20,000 distributed annually to recognized veterinary colleges in proportion to enrolment, and the remainder allocated to the Provinces on the basis of population.

Promotion of agricultural instruction for the farming community under the grant can best be classified under four categories. In secondary schools the teaching of the first principles of agriculture was carried on, while in Agricultural colleges and universities emphasis was placed on training teachers, investigators, and community leaders. Extension work was promoted in the districts to acquaint farmers with the result of research. Finally an attempt was made to improve conditions of rural life for women and children by conducting lectures and demonstrations in household science and home nursing.¹²¹

In British Columbia the work carried out under the grant is illustrated by the following statement from the report of the British Columbia Department of Agriculture:

"... by means of this yearly grant our Department of Agriculture has been able to materially extend the scope of its work. Representatives and Instructors have been placed in the districts, and much research work carried on, the expense attached to this work being paid out of the Federal grant. Field crop competitions for adults and boys and girls are carried out by means of this grant. Demonstration plots have been established, cow-testing associations started, and several horticultural stations built."¹²²

As an example of the expenditures for a typical year, the allotment of the federal grant in British Columbia for the fiscal year 1920-1921 is shown in Table 76.

TABLE 76.

EXPENDITURE OF THE FEDERAL GRANT FOR AGRICULTURAL INSTRUCTION
IN BRITISH COLUMBIA FOR THE YEAR 1919-1920 (FISCAL YEAR).

(In dollars.)

Item.	Amount.
Dry farm demonstration stations and field crops.....	3,000.00
Seed work.....	1,000.00
Silo Demonstration work.....	2,000.00
Horticultural demonstration and competitions.....	2,000.00
Fruit packing and pruning schools.....	2,000.00
Poultry.....	1,000.00
Dairying and cow testing.....	8,000.00
Bee-keeping.....	7,000.00
Boys' and Girls' Clubs.....	1,000.00
Agricultural Journal and Publications Branch.....	6,000.00
Pathological investigations and research.....	4,000.00
Miscellaneous.....	199.06
Agricultural instruction in Public, High and Normal Schools, training of teachers; grants.....	20,000.00
University of British Columbia: Investigation and extension.....	12,000.00
Total Grant, \$1,100,000; B.C.'s share.....	69,199.06

SOURCE: Canada, Department of Agriculture, Report of the Agricultural Instruction Act, 1919-1920, p. 7.

(121) For a fuller treatment see "Review of work performed under the Agricultural Instruction Act," Agricultural Instruction in Canada, Department of Agriculture, Canada, 1917, page 6.

(122) British Columbia, Department of Agriculture, Annual Report, 1915: "Report of the Agricultural Instruction Act," 1913-1917.

Although the statutory grant under the Agricultural Instruction Act expired in 1923 and was not renewed, Parliament voted an additional \$900,000 for the year 1923-1924, to be used by the Provinces for the same purposes and under the same conditions, as the grant of 1913. Thereafter, the Provinces were left to finance the projects begun as best they could, or else allow the services established under the Act to cease. In total, some \$11,400,000 was appropriated by Parliament for Agricultural Instruction in the Provinces over the period 1912-1923, out of which British Columbia received \$726,504.62, as shown in Table 77.

TABLE 77.

DOMINION GRANT TO BRITISH COLUMBIA AND TO ALL CANADIAN PROVINCES
UNDER THE AGRICULTURAL AID ACT (1912-1913) AND AGRICULTURAL
INSTRUCTION ACT, 1913-14 TO 1923-24, INCLUSIVE.

(In dollars.)

Fiscal Years.	Grant to British Columbia.	Grant to All Provinces. (4)
1912-1913 (1).....	27,334.76	500,000.00
1913-1914 (2).....	47,334.76	700,000.00
1914-1915.....	52,799.38	784,392.14
1915-1916.....	58,265.94	885,130.44
1916-1917.....	63,732.50	989,322.12
1917-1918.....	63,949.06	1,053,310.91
1918-1919.....	74,449.06 (5)	931,786.23
1919-1920.....	69,199.06	1,301,746.59
1920-1921.....	69,199.06	1,058,421.48
1921-1922.....	69,199.06	1,104,569.85
1922-1923.....	69,199.06	1,191,302.21
1923-1924 (3).....	61,842.92	900,000.00
Totals.....	726,504.62	11,399,981.97

NOTE.—The Provinces were not required to “match” the Dominion grant.

(1) Agricultural Aid Act; *per capita* grant to the Provinces.

(2) 1913-14 to 1922-23, Agricultural Instruction Act.

(3) Additional Grant: Vote 51, Agricultural Dept.: Auditor-General's Report, 1924.

(4) Included annual grant of \$20,000 to Ontario Veterinary College, and School of Comparative Medicine and Veterinary Science, Montreal.

(5) Includes \$5,250 of the allotment of 1917-18 paid in 1918-1919.

SOURCE: Canada: Auditor-General's Report, 1913 to 1925.

In this, the first conditional grant by the Federal Government, the Provinces were not required to supplement the grants by contributions from their own treasuries as in later conditional subsidies.¹²³

While this Act may have suffered from weakness in form, particularly as to the exact purpose of the Act, and in administration in so far as Dominion controls, etc., were concerned, which are to be expected when any central government first embarks on a system of conditional grants-in-aid to “local” governments, yet undoubtedly this original conditional grant was of material service in promoting improved agricultural education. However, the lack of continuity in the grant constitutes a fundamental weakness.

(123) “Federal Subsidies to the Provincial Governments in Canada,” J. A. Maxwell, pp. 201-205, inclusive. For this and other reasons, J. A. Maxwell is very critical of the results of the grant. He is also very critical of the vagueness of the purposes of the Act, and he believes that there was insufficient supervision by the Federal Government; that the Act was too liberally interpreted and, except for a few buildings, it left little to show for the expenditure.

Technical Education.

The development of mechanization in methods of production led to a public interest in technical education in Canada. This interest led to the appointment of a Royal Commission on Industrial Training and Technical Education in 1910 which recommended an elaborate scheme for technical training and research.¹²⁴

TABLE 78.

GRANTS BY THE FEDERAL GOVERNMENT TO THE PROVINCES UNDER THE AGRICULTURAL AID ACT, AND THE AGRICULTURAL INSTRUCTION ACT, FOR THE FISCAL YEARS ENDING MARCH 31st, 1913-1924, INCLUSIVE.

(In dollars.)

Province.	Allotment.
Prince Edward Island	338,038.18
Nova Scotia	844,666.15
New Brunswick	667,548.53
Quebec	2,779,918.90
Ontario	3,441,328.69
Manitoba	808,068.38
Saskatchewan	863,419.54
British Columbia	726,504.62
Alberta	710,507.71
Veterinary Colleges (Ontario and Quebec)	220,000.00
Total Grant to All Provinces	11,400,000.70

SOURCE: Canada: Auditor-General's Report; Department of Agriculture, fiscal years 1912-13 to 1923-24.

The outbreak of the War delayed action, and it was not until 1919 that the "Technical Education Act"¹²⁵ was passed, by which a sum of \$10,000,000 was appropriated to be paid to the Provinces over a period of 10 years. This grant had to be supplemented on a fifty-fifty basis by the Provincial Governments.

Technical Education included "any form of vocational training or industrial education approved by agreement between the Minister (of Labour) and the Government of any province so being necessary or desirable to aid in promoting industry and the mechanical trades and to increase the earning capacity, efficiency, and productive power of those employed therein."¹²⁶

Courses in technical industrial, commercial, home economics, and applied art subjects of secondary grade and in preparatory, part-time, correspondence, teacher training, and industrial (apprentice and foreman) courses were given under the terms of the agreement. This grant was responsible for considerable enlargement of facilities for technical education in British Columbia. Buildings were constructed and equipped; day schools and night schools were organized and developed. Teacher training classes were financed by the grant, and correspondence courses were given to a limited degree.¹²⁷

(124) For a full discussion of the recommendation of this Commission, *see* Report of the Royal Commission on Industrial Training and Technical Education; Report 1913, parts 1 and 2.

(125) Canada, Statutes, 1910, Chapter 73.

(126) The staff was small, composed of a director and his assistant, the assistant becoming director after two years of service, and on the latter's resignation in 1928 the private secretary to the Minister of Labour became Director of Technical Education.

(127) Canada, Department of Labour, Vocational Education Bulletin, No. 30, 1930, pp. 15-41.

In Table 79 a summary of the expenditure made in accordance with the Technical Education Act during a typical year in British Columbia and in all Provinces is given. Out of a total expenditure of \$2,193,714.12 by all Provincial Governments, British Columbia spent \$113,395.03, and was reimbursed by one-half of her expenses on this account.¹²⁸ At the end of the ten-year period covered by the allotments under the Act only one Province—Ontario—had earned its entire allotment. The period during which the Provinces could earn their unexpended balances was extended to March 31, 1934,¹²⁹ and later to March 31, 1939.¹³⁰

In Table 80 the allotment to each Province, and the payments to the end of March, 1937, are given.

British Columbia earned the remainder of her allotment in 1929–30. In Table 81 the total expenditure for technical education in British Columbia, the Federal Government's share of the expenditure in British Columbia, and the allotment and share of the Dominion for Technical Education in all Provinces for the years 1910–1920 to 1929–1930 inclusive, is given. From a total Dominion allotment of \$10,000,000 British Columbia received the sum of \$633,080.55 as the fifty per cent. Dominion share of the Province's expenditure of \$1,266,161.10.

TABLE 79.

STATEMENT OF EXPENDITURE ON VOCATIONAL (TECHNICAL) EDUCATION
IN BRITISH COLUMBIA AND ALL CANADIAN PROVINCES FOR THE FISCAL
YEAR ENDED 31ST MARCH, 1927.

(In dollars.)

Expenditure.	British Columbia.	All Provinces.
Expenditures on Provincial Government work—		
Administration	7,722.70	70,925.23
Teacher Training	3,529.13	30,770.44
Correspondence and Instruction	3,553.30	22,307.76
Other Provincial Institutes .....	.....	277,670.60
Grants to Local School Boards and Institutions—		
Capital Account	20,445.17	337,923.21
Teachers' Salaries	73,144.73	765,823.54
Maintenance .....	.....	6,868.26
Special and other Grants .....	.....	681,425.08
Total Expenditure by Provincial Governments	113,395.03	2,193,714.12
Dominion Share of Expenses, 50% of total	56,697.51	1,096,857.06

SOURCE: Canada, Department of Labour: Annual Report, and Report of Technical Education Act, 1926–27, page 118.

The progress of the activities stimulated by this grant varied in different Provinces; with greatest success in the industrial Provinces of Quebec and Ontario, with some but less success in New Brunswick, British Columbia and Alberta. The temporary and limited period of the grant was responsible, to some extent, for the lack of enthusiasm on the part of the Provinces, which feared that they might become involved in heavy capital expenditures, only to have the Federal assistance withdrawn.

(128) Slight discrepancy between the amount British Columbia should be reimbursed according to these figures (from Annual Report, Federal Department of Labour, Report of Technical Education Act, 1926–27, p. 118) and Auditor-General of Canada's Report, Federal Department of Labour, Technical Education Act, 1926–1927.

(129) Canada, Statutes, 1929, Chapter 8.

(130) *Ibid.*, 1934, Chapter 9.

TABLE 80.

TECHNICAL EDUCATION: DOMINION ALLOTMENTS AND PAYMENTS AS AT MARCH 31st, 1937.

(In dollars.)

Province.	Allotment.	Payments. (1)
Prince Edward Island.....	198,187.86	198,187.86
Nova Scotia.....	662,113.94	662,113.94
New Brunswick.....	512,461.28	512,461.28
Quebec.....	2,569,655.53	2,569,655.53
Ontario.....	3,178,608.97	3,178,608.97
Manitoba.....	719,746.56	402,500.00
Saskatchewan.....	847,620.91	814,000.00
Alberta.....	678,524.40	678,524.40
British Columbia.....	633,080.55	633,080.55
Totals.....	10,000,000.00	9,649,132.53

(1) The payments are adjusted to March 31, 1937, by figures for the last fiscal year from Statistical Summary: Bank of Canada, September, 1937, and as the data are given in thousands of dollars, payments to Manitoba and Saskatchewan are approximate.

SOURCE: Canada, Auditor-General's Report; Dept. of Labour, 1919-20 to 1935-36, inclusive. Technical Education Act.

TABLE 81.

EXPENDITURE BY THE PROVINCE OF BRITISH COLUMBIA; DOMINION EXPENDITURES IN BRITISH COLUMBIA AND IN ALL PROVINCES FOR THE FISCAL YEARS ENDING MARCH 31, 1920 TO 1930, INCLUSIVE.

(In dollars.)

Fiscal Years.	British Columbia's Expenditure under the Technical Education Act. (1)	Dominion Share of British Columbia's Expenditures (50%).	Dominion Share of Expenditures in All Provinces.	Yearly Allotment of Federal Expenditures.
1919-1920.....	38,815.62	19,407.81	186,500.49	700,000.00
1920-1921.....	58,267.72	29,133.86	580,675.43	800,000.00
1921-1922.....	95,808.08	47,904.04	720,336.07	900,000.00
1922-1923.....	69,864.76	34,932.38	648,227.03	1,000,000.00
1923-1924.....	107,070.52	53,535.26	888,391.62	1,100,000.00
1924-1925.....	81,720.96	40,860.48	830,476.77	1,100,000.00
1925-1926.....	106,246.10	53,123.05	944,336.69	1,100,000.00
1926-1927.....	113,254.06	56,627.03	1,047,535.80	1,100,000.00
1927-1928.....	118,710.98	59,355.49	965,955.32	1,100,000.00
1928-1929.....	339,274.84	169,637.42	1,152,165.26	1,100,000.00
1929-1930.....	137,127.46	68,563.73	413,286.89	.....
Totals.....	1,266,161.10	633,080.55	8,377,887.37 (2)	10,000,000.00

(1) British Columbia was reimbursed to the extent of fifty per cent. for her expenditure under Technical Education Act, after approval by the Dominion Director of Technical Education.

(2) By March 31, 1937, \$9,648,569.67 of the total allotment of Dominion funds under the Technical Education Act had been paid to the Provinces.

SOURCES: Canada: Auditor-General's Report.

Canada: Department of Labour, Expenditures for the Technical Education Act.

ADMINISTRATION OF JUSTICE.

The administration of justice and the enforcement of law and order is the oldest of the social services. It is one of the most fundamental services of all government. An area in which these activities are not performed is an area in which there is no active government in power.

Tables 86 and 91 give information regarding expenditures for:

Expenses of Attorney-General's Office
Provincial Police and Special Constables
Gaols, Prisons, and Lock-ups
Court Houses (including salaries)
Administration of Justice
Sheriff's Offices
Coroners' Inquests
Boys and Girls Industrial Schools
Miscellaneous.

A comparison of the total cost of all these services *per capita* of population in the Province, from year to year, would show that the cost of this group of services has increased relatively less than other social services.

In British Columbia the incorporated areas are charged with the responsibility of "policing the municipality and enforcing not only the municipal by-laws but also the criminal law and general laws of the Province; and of generally maintaining within the limits of the municipality law and order; and of administering justice therein."¹³¹ Municipalities must provide lock-ups and must pay the Province for the keep of prisoners in Provincial Gaols convicted summarily or under Part XV. of the Criminal Code of a charge committed in a municipality.¹³² In return, fines collected may be retained by the municipalities, as may costs. None of these provisions apply to Village municipalities.¹³³

Certain municipalities are policed by the Provincial police, but only in return for payment by the municipality. And so the Provincial costs given in the Tables for the Administration of Justice are largely incurred for activities in unorganized territory. However, in the case of prosecutions for persons charged with offences triable upon indictment, the responsibility of the municipality is only up to the point where the accused is committed for trial and committed to the common gaol of the county. At this point the expenses are borne by the Province. Municipalities are not responsible for the cost of prisoners convicted of offences not triable summarily.¹³⁴

Thus the Province bears the full cost of policing in unorganized territory. It bears the cost of all cases where the offence has not been summarily convicted in the municipality where the charge was made. It bears the expense of prosecuting all major crimes and also the expense of confining the convicted offenders. In practice the Provincial Government expends as much as do the municipalities.¹³⁵

Costs of the Administration of Justice are:

"Expenses of Attorney-General's Office": includes all overhead expenses such as the Minister's salary, travelling expenses, and so forth.

"Provincial Police and Special Constables": includes cost of buildings used by the police officers.

(131) British Columbia, Statutes, 1906, Chapter 32, section 235 (1).

(132) *Ibid.*, section 235 (2) and (3).

(133) Part V., "Government Finance" on "The Problem of Municipalities."

(134) *Ibid.*

(135) See Table 93.

- “Gaols, Prisons, and Lock-ups”: includes not only the current costs but work done by the Public Works Department and capital expenditures.
- “Court Houses (including salaries)”: consists of the cost of operating the court houses, the salaries paid to janitors, etc., and also the salaries paid to Court Officials including the Judges of County Courts.
- “Administration of Justice”: includes expenses for prosecutions, rewards, witnesses, counsels’ fees, stipendiary magistrates’ salaries, executions of prisoners, etc.
- “Sheriffs’ Offices”: include routine activities, issuing and serving writs, etc.; in practice this expense is approximately covered by the collection of fees and costs.
- “Coroners’ Inquests”: is self explanatory.
- “Boys’ and Girls’ Industrial Schools”: includes capital expenditures, work done by the Department of Public Works, etc., as well as the current expenses shown in the Departmental vote.

While all these items have increased through the years, and also on a *per capita* basis, the increase in the cost of providing this group of services is increasing relatively more slowly than any other group of social services.¹³⁶

This increase can rather generally be explained by the increasing complexity of modern life and the increasing density of population. A greater social consciousness has resulted in the addition of a number of new laws at every Session. While many of these Acts are largely administered by separate Boards, any eventual prosecution and punishment will result in a cost to the Province unless borne under special circumstances by a municipality. And the responsibility of enforcing a number of these new Acts in many cases falls directly upon the Provincial Police and the Province, through the Attorney-General’s Department. The possibility of many frauds, and the difficulty of detecting such crimes and of preventing them, becomes increasingly difficult as our civilization becomes more complex. Typical examples are the work of the Companies, Insurance and Securities Offices whose prosecutions are conducted by the Attorney-General’s Department.

The expense of administering other Acts providing a social service is often borne by a Board (examples Board of Industrial Relations, Provincial Board of Health, etc.) but in the last analysis the cost of enforcing these Acts is borne under “Administration of Justice” or under “Gaols, Prisons and Lock-ups.”

The best idea of the growth of this service can be obtained from a study of the Tables and through a comparison of the Consolidated Ordinances of 1871 and the Revised Statutes of British Columbia, 1936. The rise in the cost of Justice and Law and Order is a reflection of the increasingly important role of the Provincial Government.

EXPENDITURES ON GOVERNMENT FUNCTIONS.

There are twelve Tables appearing as appendices in this section.

Table 82 is a summary of Provincial expenditures for Social Services, which is divided into General and Protective, Medical (Health), and Charitable (Welfare); Unemployment Relief, Education, and Administration of Justice.

(136) See Tables 82 and 86.

The period covered is from 1876 to 1936 at ten-year intervals. Thus the information is given for 1876, 1886, 1896, 1906, 1916, 1926, and 1936. Tables 83, 84, 85, and 86 give in detail the items covered in the sub-totals shown in Table 82.

Table 87 gives information similar to Table 82 for each year from 1919 to 1936. Tables 88, 89, 90, and 91 give this information in detail.

Table 92 is concerned with Municipal expenditures for Administration of Justice, Education, and Social Services, the latter includes all protective, medical, charitable, and relief items. The period covered is from 1919 to 1935.

Table 93 is a combination of Tables 87 and 92 and covers the period 1919 to 1936 for the three types of services detailed in Table 92.

All details concerning Provincial Expenditures are based on the Public Accounts of British Columbia. Details concerning Municipal Expenditures are based on the Annual Report of the Department of Municipal Affairs, and checked by special Treasury Statements.

The Provincial expenditures for Social Services are divided into four main groups: first the social services proper, then unemployment relief, then education, and lastly the administration of justice.

The following is a list of the items covered in these groups:

(A) SOCIAL SERVICES.

General and Protective

- Expenses of Provincial Secretary's Office
- Public Inquiries into Social Questions
- Miscellaneous Expenses of General Office
- Inspection of Apprentices
- Infants Act
- Official Guardian
- Factories Inspection
- Mine-rescue Training, First Aid, etc.
- Mines Inspection
- Board of Industrial Relations
- Hours of Work Act
- Minimum Wage Act
- Employment Service
- Aid of Youth Employment
- Expenses of Minister of Labour's Office
- Trades-schools Regulation Act
- Child Welfare
- Companies Office
- Insurance Office
- Securities Office
- Censorship of Moving Pictures
- Administration of Motor-vehicle Act
- Electrical Energy Inspection
- Steam-boiler Inspection
- Fire Marshal Act
- Miscellaneous

Medical

- Administration of Health and Welfare
- Provincial Board of Health and Provincial Laboratories
- Aid to Hospitals
- Resident Physicians
- Mental Hospitals
- Tuberculosis Institutions
- Provincial Home for Incurables
- Preventive Medicine, etc.
- Health Insurance
- Venereal Diseases
- Workmen's Compensation (Administration and Liability)
- Miscellaneous

Charitable

- Welfare Branch
- Destitute Poor and Sick
- Burial of Indigents
- Grants to Charitable Organizations
- Provincial Home
- Provincial Home for the Aged
- Old-age Pensions
- Mothers' Pensions
- Superannuation (Administration and Liability)
- Industries for Blind Adults
- Miscellaneous

(B) UNEMPLOYMENT RELIEF

(C) EDUCATION

- Expenses of Minister of Education's Office
- Text-books (free)
- Correspondence Schools
- Industrial and Agricultural Education
- Inspection of Schools
- Normal Schools
- Schools for Deaf, Dumb, and Blind
- Grants in Aid of Salaries
- School Buildings
- Soldiers' Dependent Children
- Examinations
- Conveyance of Children
- Summer Schools
- Official Trustees
- Adult Education
- U.B.C. and Victoria College
- Advances to rural school boards
- School Libraries
- Public Libraries
- Provincial Library and Archives
- Provincial Museum

Teachers' Pensions (Administration and Liability)
Rural Teachers' Welfare Officer
Miscellaneous

(D) ADMINISTRATION OF JUSTICE

Expenses of Attorney-General's Office
Provincial Police and Special Constables
Gaols, Prisons, and Lock-ups
Court-houses (including salaries)
Administration of Justice
Sheriffs' Offices
Coroners' Inquests
Boys' and Girls' Industrial Schools
Miscellaneous

The expenditures given in the Tables on account of these items is the net cost to the Provincial Treasury, all payments from municipalities, or individuals having been deducted, as well as the sale of produce and inter-departmental payments for services rendered. Earmarked taxes, special assessments, fees, or licence charges, however, have not been deducted as these are looked upon as being a source of revenue similar to taxes. To have attempted to deduct such charges would have led to considerable confusion. Thus, the figures in the Tables are the gross cost of the service minus every conceivable offset possible except fees, licences, etc., charged for services rendered.

The expenditures in the Tables show not only the current cost voted by the Legislative Assembly for the several items, as appearing in the British Columbia Public Accounts but in addition expenditures for the same service made by other departments and also capital expenditures.

The Provincial Government maintains many institutions. The cost of these institutions, as appearing in the Vote, is usually for salaries, heating and so forth. The cost of maintaining these buildings, making repairs, alterations, etc., is usually paid by the Department of Public Works. All such expenditures are included.

Considerable capital expenditures have been made for social services. Mental Hospitals have been built, court houses constructed and so on. Such items are added into the figure for the year in which the capital expenditure was made. Sudden fluctuations in the cost of a specific service are in most cases due to an unexpected capital expenditure. As the totals for the main groups include many institutions the yearly sub-totals should not be materially affected. These capital expenditures usually take place, for a given service, about every five years.

The question of overhead has been a difficult one to solve. The individual services are performed by various departments. Should the expense of the Minister and the general office be included? In practice the overhead costs of the Department of Education were included under Education. The overhead of the Department of the Provincial Secretary was included under Social Services (General and Protective) as are the expenses of the Minister of Labour and his general office. The major portion of all the activities of these departments and their Ministers are for social services; it is more accurate to include them than to omit them, the only other solution would have been some kind of proportionate allocation.

Sometimes it has been impossible to segregate certain costs. An example is the administration of superannuation and teachers' pensions which is done by the same Board. The rule has been that when a segregation is impossible, but all the various services are considered to be social services, to put the total under one of the services and to indicate with footnotes that this has been done.

When the segregation is impossible, but not all the services are social services, the sum is omitted entirely. Thus the inspection of railways should be included as a General and Protective social service; however, it is impossible to ascertain the cost of this one service from a number of other activities which are not considered social services. Accordingly the cost of this service has been omitted. The most frequent example of this is where Government buildings are used for a variety of services only some of which are social services. Another example is the general costs of legislation.

The fiscal year in each case is the year ending March 31st of the year cited at the head of the column whenever Provincial expenditures are given.

Table 92 is concerned with Municipal expenditures for social services. The fiscal year is the calendar year and the figures are based on the Report of the Department of Municipal Affairs, corrected on the basis of special Treasury statements. There is a separate segregation for the Administration of Justice each year. The same holds true of Education which appears as "Schools," this last includes sinking fund payments. Social Services (General) includes such items as Public Health, Hospitals, Relief and Social Services, Donations and Grants, Fire Protection and Other Expenditures, all of which appear in the above mentioned Annual Report.

Fortunately supplementary information is available regarding municipal expenditures for social services and this provides a check on the expenditures shown in the Annual Report of the Department of Municipal Affairs. In October, 1936, the Treasury Branch of the British Columbia Department of Finance sent out a questionnaire to the municipalities of the Province requesting certain financial data for the years 1926, 1930, and 1935. From the returns the following figures were computed.

EXPENDITURES: CITIES AND DISTRICTS.¹³⁷

	1926.	1930.	1935.
Health, charities, and social services.....	\$907,375.81	\$1,164,074.40	\$1,934,167.96
Relief.....	267,468.05	762,851.77	1,999,121.47
Totals.....	\$1,174,843.86	\$1,926,926.17	\$3,933,289.43

The accuracy of these figures depends of course upon the care with which the returns to the Provincial Treasury were prepared.

This figure is considerably less than the figure given in the Annual Report of the Department of Municipal Affairs. Due to a different concept of "social services" being used this last figure is higher. Expenditures for Fire Protection, for example, are not included in the Treasury concept of social service but are so included in the concept used for the purposes of this study. Thus the expenditures for this item must be added. The omission of Village expenditures from the Treasury figures is unimportant as these on an average amount

(137) British Columbia, Department of Finance, Treasury Branch: "Financial Statistics—British Columbia Municipalities," October, 1936, Tables 6 and 6A.

to less than one per cent. of the total municipal expenditures and in any event they are not responsible for as many services.

EXPENDITURES: CITIES AND DISTRICTS.

	1926.	1930.	1935.
Relief, health, charities, and social services (138)	\$1,174,843.86	\$1,926,926.17	\$3,933,289.43
Fire Protection (139)	1,014,891.35	1,891,529.00	1,069,896.00
Totals	\$2,189,735.21	\$3,818,455.17	\$5,003,185.43

By way of comparison the following are the municipal expenditures for relief, health and welfare (including such items as Fire Protection) as given in the Annual Report of the Department of Municipal Affairs.

EXPENDITURES: CITIES, DISTRICTS, AND VILLAGES.¹⁴⁰

	1926.	1930.	1935.
Relief, health, and welfare	\$3,550,268.01	\$7,121,873.00	\$8,794,304.00

Thus, as inspection shows, the Treasury figures for these three years are 62, 47, and 58 per cent. respectively of the figures given in the Annual Reports.

The only comparable data to be had over any period of time is that given in the Annual Report of the Department of Municipal Affairs. Unfortunately the segregation used is not suitable for the present purpose: namely to ascertain the amount expended by the municipalities on social services as conceived by this study. Accordingly the best possible segregation has been used over the period 1919–1935 and this has been multiplied by .5399. By using the available Treasury figures for the years 1926, 1930, and 1935 it was estimated that on an average the Treasury figures, using a more suitable classification, comprised 53.99 per cent. of the figure arrived at using the best possible classification available in the Annual Report of the Department of Municipal Affairs.

Thus the figures in the third column of Table 92 are estimated on this basis. The first two columns are based, without correction, upon the Annual Report of the Department of Municipal Affairs.

Because of these difficulties municipal figures are not strictly accurate and those Tables purporting to show municipal expenditures should be treated as being merely approximately illustrative. The figures in the 1936 Annual Report are not comparable with the figures for preceding years as an entirely different basis has been adopted, accordingly, 1935 is the most recent year given.

Table 93, which shows the total expenditures of both the Province and the Municipalities, together with the grand total expenditure for all social services, is from 1919 to 1936. This Table is for illustrative purposes only. It is not strictly accurate as the periods covered by the Provincial and Municipal figures are not comparable. The total sum shown for 1935, for example, is composed of the expenditures made by the Province (based on Table 87) between April 1, 1934, and March 31, 1935, while the expenditures made by the Municipalities

(138) *Op. cit.*
(139) British Columbia, Department of Municipal Affairs, Annual Report.
(140) *Ibid.*

cover the period January 1, 1934, to December 31, 1934. Under this arrangement nine out of the twelve months in each case are comparable. The municipal expenditures included in this Table are based on the figures given in Table 92.

In spite of the difficulties of segregating the costs to an exact cent, these statistics give a reasonably accurate picture of the costs of social services in this Province. They are more inclusive and more accurate than any other information yet compiled.

c
n
e

s
I
t

TABLE 87.
SUMMARY OF PROVINCIAL (NET) EXPENDITURES FOR SOCIAL SERVICES (AS DETAILED) FOR THE FISCAL YEARS 1916 TO 1937, INCLUSIVE

TABLE 83.

SOCIAL SERVICES (MEDICAL-HEALTH), APRIL 1st, 1918, TO MARCH 31st, 1937.

1912.	1922.	1924.	1925.	1926.	1927.	1928.	1929.	1930.
-------	-------	-------	-------	-------	-------	-------	-------	-------

EMPLOYMENT

PROVINCIAL (NET) EXPENDITURE FOR EDUCATION, APRIL 1st, 1918, TO MARCH 31st, 1937

STRATION

	1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099
--	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

TABLE 92.
MUNICIPAL EXPENDITURES FOR SOCIAL SERVICES.
AS DETAILED FOR THE CALENDAR YEARS 1919-35, INCLUSIVE.

Year. (1)	Administration of Justice. (2)	Education. (3)	Social Services— Relief, Health, and Welfare. (4)	Total.
	(000)	(000)	(000)	(000)
1919	\$743	\$3,716	\$1,316	\$5,775
1920	942	4,482	1,742	7,166
1921	1,031	5,298	1,975	8,304
1922	1,039	5,591	2,282	8,912
1923	1,024	5,842	1,732	8,598
1924	1,033	6,043	1,839	8,915
1925	1,078	6,264	1,801	9,143
1926	1,129	6,374	1,890	9,393
1927	1,160	6,759	2,629	10,548
1928	1,278	7,252	2,702	11,232
1929	1,477	7,704	3,528	12,709
1930	1,501	7,937	3,845	13,283
1931	1,506	7,999	4,021	13,526
1932	1,383	7,360	4,621	13,040
1933	1,178	6,301	4,275	11,754
1934	1,206	6,528	4,337	12,071
1935	1,366	6,486	4,748	12,600

- (1) Calendar Years.
(2) Includes only "Administration of Justice."
(3) Includes only "Schools."
(4) Includes expenditures for "Public Health," "Hospitals," "Relief and Social Services," "Donations and Grants," "Fire Protection," and "Other Expenditures," as given in the Annual Report: this has been multiplied by .58997 to allow for estimated inaccuracies arising from the unsatisfactory segregation used.
SOURCE: British Columbia, Department of Municipal Affairs, Annual Reports, 1919-1935.

TABLE 93.
TOTAL EXPENDITURES BY THE PROVINCIAL GOVERNMENT AND THE
MUNICIPALITIES FOR SOCIAL SERVICES.

Year.	Admin- istration of Justice.	Prov. %	Mun. %	Educa- tion.	Prov. %	Mun. %	Relief, Health, and Welfare.	Prov. %	Mun. %	Grand Total.	Prov. %	Mun. %
(1) (2)												
	(000)			(000)			(000)			(000)		
1920 1919	\$1,450	49	51	\$6,364	42	58	\$2,782	53	47	\$10,596	45	55
1921 1920	1,744	46	54	7,882	43	57	3,825	54	46	13,451	47	53
1922 1921	1,713	40	60	8,732	39	61	4,827	59	41	15,272	46	54
1923 1922	1,934	46	54	9,224	39	61	4,776	52	48	15,934	44	56
1924 1923	1,890	46	54	10,073	42	58	4,830	64	36	16,793	49	51
1925 1924	1,858	44	56	11,525	48	52	5,115	64	36	18,498	52	48
1926 1925	2,007	46	54	11,481	45	55	4,895	63	37	18,383	50	50
1927 1926	2,040	45	55	10,675	40	60	5,242	64	36	17,957	48	52
1928 1927	2,147	46	54	11,552	42	58	6,200	58	42	19,899	47	53
1929 1928	2,271	44	56	12,009	40	60	7,577	64	36	21,857	49	51
1930 1929	2,603	43	57	12,299	37	63	9,314	62	38	24,216	48	52
1931 1930	2,748	46	54	12,422	39	61	10,947	65	35	26,117	49	51
1932 1931	2,643	43	57	13,038	39	61	12,586	68	32	28,267	52	48
1933 1932	2,403	42	58	11,128	34	66	11,688	60	40	25,219	48	52
1934 1933	2,111	44	56	9,549	34	66	11,107	62	38	22,767	48	52
1935 1934	2,196	45	55	10,004	35	65	13,359	68	32	25,559	53	47
1936 1935	2,675	49	51	10,135	36	64	16,445	71	29	29,255	57	43

- (1) Provincial fiscal year ending March 31st.
(2) Municipal fiscal year ending December 31st.
SOURCE: For Provincial expenditures, Table 87 (Social Services and unemployment relief here included as Relief, Health, and Welfare). For Municipal expenditures, Table 92.

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION.

PART V.

GOVERNMENT FINANCE.

PART V.

GOVERNMENT FINANCE AND ITS INCIDENCE.

In a previous section dealing with functions of Government, particularly in the matter of social services, the very great increase in public demands on Government in modern times has been outlined. It is natural, in a Province like British Columbia still in a pioneering stage and dependent in the main on primary products for income, that the expenses of Government should be high. Table 123 shows the expenditure of the Government of the Province of British Columbia, 1871 to 1937. The proportion of this expenditure attributable to public works would indicate the importance of the responsibility of the Government in assisting the community in the development of its resources, the proportion of this expenditure to the total, over the period as shown in Table 94, being 19.76 per cent.

TABLE 94.

PROVINCIAL EXPENDITURES FOR PUBLIC WORKS AS PERCENTAGE OF THE
TOTAL PROVINCIAL EXPENDITURES, 1872-1937, INCLUSIVE. (1)

Period.	1. The Public Works Expenditures.	2. Total Provincial Expenditures.	3. Percentage (1) of (2).
1872-1900	\$9,527,168.83	\$27,840,547.64	34.22
1901-1914	36,518,686.85	84,126,373.68	43.41
1915-1920	16,612,580.52	64,798,641.31	25.64
1921-1937	49,638,653.61	391,663,750.60	12.67
1872-1937	\$112,297,089.81	\$568,429,313.23	19.76

(1) Current expenditures only.

SOURCE: See Table 123.

Table 124 shows the revenue of the Provincial Government from various sources from 1871 to 1937. It can here be seen that over this period in forty years a deficit was shown, and in seventeen years a surplus. (See Table 95.) It is reasonable to suppose that over this period the Governments of the Province were composed of men of reasonable intelligence who were responsible to the Legislature. Consequently, while mistakes may have been made that became evident in later years, the position may be taken that this Province has, during the period of its existence, received as intelligent and efficient a government as is reasonable to expect under the conditions prevailing. The number of years in which a deficit was incurred, as compared with the years in which a surplus was experienced, indicates in these circumstances something of the financial problems of the Governments of this Province since its entry into Confederation. In this connection, however, it may be pointed out that during the period of the active development, apparently as a matter of policy, deficits were incurred for capital expenditure to promote this development, these expenditures being charged to current account, and later capitalized.

A study of these Tables over the period indicates the increased costs of government as new expenditures became necessary, and also the imposition of new taxes in order to meet these increased expenditures.

TABLE 95.
STATEMENT OF ANNUAL DEFICIT OR SURPLUS FROM JULY 20TH, 1871,
TO MARCH 31st, 1937.

Year.	Annual Deficit or Surplus.*	Accumulated Deficit or Surplus at End of Year.	Year.	Annual Deficit or Surplus.*	Accumulated Deficit or Surplus at End of Year.
July 20th to Dec. 31st, 1871..	\$94,127.86	\$94,127.86	To June 30th, 1905.....	345,087.54	10,432,583.67
To Dec. 31st, 1872.....	104,867.17	10,739.31	" " " 1906.....	424,294.83	10,008,288.84
" " " 1873.....	2,468.26	13,207.57	" " " 1907.....	1,301,797.75	8,708,491.09
" " " 1874.....	210,938.38	224,145.95	" " " 1908.....	1,437,418.62	7,269,072.47
" " " 1875.....	75,732.03	148,413.92	To Mar. 31st, 1909.....	732,296.93	6,536,775.54
" " " 1876.....	347,190.09	495,604.01	" " " 1910.....	2,257,806.43	4,278,969.11
" " " 1877.....	276,698.05	772,302.06	" " " 1911.....	2,100,618.89	2,178,350.22
" " " 1878.....	84,092.84	856,394.90	" " " 1912.....	623,058.22	2,801,408.44
To June 30th, 1879.....	26,850.67	829,544.23	" " " 1913.....	3,116,590.88	5,917,999.32
" " " 1880.....	58,222.71	887,766.94	" " " 1914.....	5,475,864.81	11,393,864.13
" " " 1881.....	17,227.13	870,539.81	" " " 1915.....	4,178,613.19	15,572,477.32
" " " 1882.....	21,184.52	891,724.33	" " " 1916.....	3,791,810.87	19,364,288.19
" " " 1883.....	168,293.77	1,060,018.10	" " " 1917.....	2,624,956.72	21,989,244.91
" " " 1884.....	297,057.35	762,960.75	" " " 1918.....	466,504.74	22,455,749.65
" " " 1885.....	55,039.25	818,000.00	" " " 1919.....	1,181,006.68	23,636,756.33
" " " 1886.....	257,491.83	1,075,491.83	" " " 1920.....	351,330.96	23,285,425.37
" " " 1887.....	190,909.26	1,266,401.09	" " " 1921.....	4,407,416.63	27,692,842.00
" " " 1888.....	180,276.41	1,446,677.50	" " " 1922.....	1,790,792.85	29,483,634.85
" " " 1889.....	150,765.61	1,597,443.11	" " " 1923.....	1,180,563.32	30,664,198.17
" " " 1890.....	108,497.90	1,705,941.01	" " " 1924.....	1,838,561.57	32,502,759.74
" " " 1891.....	67,160.66	1,773,101.67	" " " 1925.....	1,846,405.10	34,349,164.84
" " " 1892.....	392,682.54	2,165,784.21	" " " 1926.....	100,793.32	34,248,371.52
" " " 1893.....	458,207.75	2,623,991.96	" " " 1927.....	260,014.96	34,508,386.48
" " " 1894.....	772,437.34	3,396,429.30	" " " 1928.....	723,228.87	35,231,615.35
" " " 1895.....	1,076,310.56	4,472,739.86	" " " 1929.....	3,414,904.44	38,646,519.79
" " " 1896.....	711,544.12	5,184,783.98	" " " 1930.....	135,428.94	38,781,948.73
" " " 1897.....	270,947.93	5,455,231.91	" " " 1931.....	4,819,261.01	43,601,209.74
" " " 1898.....	647,723.76	6,102,955.67	" " " 1932.....	7,051,560.58	50,652,770.32
" " " 1899.....	723,298.00	6,826,253.67	" " " 1933.....	2,836,377.80	53,489,148.12
" " " 1900.....	403,303.72	7,229,557.39	" " " 1934.....	373,976.83	53,863,124.95
" " " 1901.....	801,571.76	8,031,129.15	" " " 1935.....	1,164,175.56	52,698,949.39
" " " 1902.....	852,744.69	8,883,873.84	" " " 1936.....	2,619,175.42	50,079,773.97
" " " 1903.....	1,501,820.58	10,385,694.42	" " " 1937.....	2,689,022.57	47,390,751.40
" " " 1904.....	391,976.79	10,777,671.21			

* Deficit in heavy type. Surplus in light type.

SOURCE: British Columbia, Public Accounts.

In order to give a cross-section of the incidence of Provincial taxation in British Columbia the fiscal year 1935-36 has been taken, as this is the last year for which complete information was available with regard to both Provincial and Dominion revenues, from this Province. Table 96 shows the incidence of Provincial taxation in British Columbia on the per capita basis, indicating that in the fiscal year 1935-36 *per capita* taxation in this Province for Provincial purposes amounted to \$31.07.

TABLE 96.
THE INCIDENCE OF PROVINCIAL TAXATION IN BRITISH COLUMBIA ON A
PER CAPITA BASIS FOR THE FISCAL YEAR 1935-1936.
(AVERAGE TAX PAYMENT PER PERSON IN BRITISH COLUMBIA TO THE PROVINCIAL TREASURY.)
(In dollars.)

Fiscal Year.	Receipts from Provincial Taxation (Tax Revenue). (1)	Population of British Columbia. (2)	Average Incidence of Taxation per Person.
1935-1936	22,836,895	735,000	31.07

(1) See Table 97 for the receipts from each tax during the fiscal year 1935-36.

(2) Canada Year Book, 1937. Dominion Bureau of Statistics estimate. June 1st, 1935.

Table 97 shows the receipts of the Provincial Government from the various taxes. It can here be seen that the revenue from the income tax leads, profit from liquor sales coming second, followed by the gasoline tax, motor vehicle licences, timber royalties, land tax, and succession duties in order. It may be questioned whether timber royalties should be included in a statement of the taxes in this Province, as royalties are in reality not a true taxation but the purchase price of the timber sold by the Provincial Government. The royalty is paid only once when an exchange of the timber is made.

TABLE 97.
RECEIPTS OF THE PROVINCIAL GOVERNMENT OF BRITISH COLUMBIA
FROM TAXATION, FISCAL YEAR 1935-36.
(EXCLUDING NON-TAX REVENUE.)
(In dollars.)

Classification.	Revenue Received 1935-1936.
Income Tax	\$5,986,834.78
Coal and Coke Tax	93,251.78
Mineral Tax	403,014.39
Poll Tax	13,275.00
Land Tax	1,434,501.02
Wild Land Tax	420,123.56
Unworked Crown-granted Mineral Claims	50,038.15
School Tax	596,764.71
Fishing and Cannery Licences	117,573.50
Fuel-oil Tax	483,784.44
Gasoline Tax	2,530,155.62
Succession Duties	1,067,101.00
Probate Fees	138,198.65
Timber Leases	69,711.19
Timber Licences	647,724.64
Timber Royalties	1,744,450.62
Mining Receipts	162,703.43
Grazing Fees and Rentals	13,069.08
Land Revenue, Sundry	139,305.57
Water Rentals and Recording Fees	231,119.75
"Game Act"—Fees and Licences	199,796.61
Moving Picture Fees	31,228.08
"Government Liquor Act"—Profit on Liquor Sales	3,061,808.07
Amusements Tax	195,231.27
Races Tax	135,329.80
Dog Licences	6,339.85
Marriage Licences	22,914.00
Land Sale	72,882.33
Timber Sales (Stumpage)	360,569.73
"Motor-vehicle Act"—Licences, etc.	2,293,791.70
Trade Licences	33,822.50
Free Miners' Certificates	77,062.75
Real-estate Agents' Licences	3,417.00
Total Receipts of Provincial Government from Taxation	\$22,836,894.55

SOURCE: British Columbia, Public Accounts, 1935-36.

NOTE.—Differences in totals in Tables 97 and 99 explained in foot-notes 1 and 3, Table 99.

Table 98 shows the Provincial revenue receipts from non-tax sources in the same year, which amounts to \$2,926,182.77, as compared with revenue from taxes of \$22,836,894.55, or a total in that year of \$25,862,077.32.

In Table 99 an attempt has been made to segregate the Provincial taxes on the basis of their incidence on individuals, on industry, and on land. There has been no difficulty with regard to the segregation on land, but it has been necessary to make estimates in the case of the segregation as between individuals and industry.

TABLE 98.

THE PROVINCIAL REVENUE RECEIPTS FROM NON-TAX SOURCES,
FISCAL YEAR 1935-36.

Miscellaneous Items of Provincial Revenue not included as Taxation Revenue in the Provincial taxation receipts. (By Departments, service and revenue received.)

Department.	Service.	Received.
Department of Agriculture.....	Miscellaneous Receipts	\$16,402.22
Department of the Attorney-General.....	"Administration Act"—Fees	9,502.12
	Companies Branch	65,629.65
	Court Fees and Fines	74,352.97
	"Insurance Act"	52,794.84
	Land Registry Fees	195,443.93
	Law Stamps	89,166.60
	"Securities Act"	8,569.00
	Sheriffs' Fees	5,788.68
	Miscellaneous Receipts	2,807.16
Department of Education.....	Teachers' Examinations and Certificates	1,525.00
	Text-book Branch (Net Profits)	3,284.58
	Miscellaneous Receipts	135.00
Department of Finance.....	Interest—	
	"Dyking Assessments Adjustment Act"	\$19,083.82
	Miscellaneous	406,536.54
		425,620.36
	Rents, Miscellaneous	11,381.80
	Trust Deposits reverted to the Crown	26,697.06
	Miscellaneous Receipts	3,379.32
	Dominion Subventions—	
	Annual Interest	29,151.06
	Annual Subsidy	190,000.00
	Annual Grant <i>per Capita</i>	555,410.40
	Annual Grant for Lands Conveyed	100,000.00
	Interim Payment on Account of Annual Subsidy	750,000.00
Department of Labour.....	Elevator Inspection and Examination Fees	593.50
Department of Lands.....	Survey Fees and Sale of Maps	9,535.27
	Miscellaneous Receipts	6,932.10
Legislation.....	Private Bill Fees	915.00
Department of Mines.....	Bureau of Mines	285.50
	Miners' Examinations and Certificates	163.50
Department of Municipal Affairs.....	Miscellaneous Receipts	600.00
Department of Provincial Secretary.....	King's Printer (Net Profits)	20,684.90
	Vital Statistics	10,130.82
	Miscellaneous Receipts	572.44
Department of Public Works.....	Traffic Control	47,532.50
	Miscellaneous Receipts	7,356.02
Department of Railways.....	Inspection Fees	2,187.47
	New Westminster Bridge Tolls	60,926.08
Refunds of Expenditures.....	Charges to Income—	
	"Soldiers' Land Act, 1918"	564.73
	Charges to Loans—	
	Provincial Buildings and Furnishings	246.92
	"Land Settlement and Development Act, 1917"	110,000.00
	"Department of Industries Act"	20,000.00
	"Soldiers' Land Act, 1918"	29,572.90
	"Better Housing Act, 1919"	53,900.00
	"Dewdney Dyking District Relief Act, 1929"	3,338.05
	Advances to Municipalities, Direct Relief	22,113.32
Total.....		\$2,926,182.77

Reconciliation Statement—

(a) Revenue from Taxation (included in incidence study)	\$22,836,894.55
(b) Revenue from Fees for services rendered, etc. (excluded from Taxation study)	2,926,182.77
	<u>\$25,862,077.32</u>

SOURCE: British Columbia, Public Accounts, 1935-36.

TABLE 99.

THE INCIDENCE ON INDIVIDUALS, INDUSTRY, AND LAND, OF THE TAXATION
SYSTEM OF THE PROVINCIAL GOVERNMENT OF BRITISH COLUMBIA,
FISCAL YEAR 1935-1936.

(In dollars.)

Taxation Classification.	Total Receipts of Provincial Government from Taxation.	INCIDENCE OF PROVINCIAL TAXATION ON.		
		Individuals.	Industry.	Land.
Income Tax—				
Assessments	(1) 5,978,769	(1) 1,401,408	(1) 4,577,361	—
Unclaimed Refunds, 1% tax	(1) 300,000	300,000	—	—
Mineral Tax	403,014	—	403,014	—
Poll Tax	13,275	13,275	—	—
Land Tax	1,434,501	—	—	1,434,501
Wild Land Tax	420,124	—	—	420,124
Unworked Crown-granted Mineral Claims	50,038	—	50,038	—
School Tax (Unorganized Districts)	596,765	—	—	596,765
Fishing and Cannery Licences	117,574	—	117,574	—
Fuel-oil Tax	483,784	(2) 48,378	(2) 435,406	—
Gasoline Tax	2,530,156	(2) 1,464,900	(2) 1,065,256	—
Succession Duties	1,067,101	1,067,101	—	—
Probate Fees	138,199	138,199	—	—
Timber Leases	69,711	—	69,711	—
Timber Licences	647,725	—	647,725	—
Timber Royalties	1,744,451	—	1,744,451	—
Mining Receipts	162,708	—	162,708	—
Grazing Fees and Rentals	13,069	—	13,069	—
Land Revenue, Sundry	139,306	—	—	139,306
Water Rentals and Recording Fees	231,120	—	231,120	—
"Game Act"—Fees and Licences	199,797	199,797	—	—
Moving Picture Fees	31,228	31,228	—	—
"Government Liquor Act"—Profit on Liquor Sales	3,061,808	3,061,808	—	—
Amusements Tax	195,231	195,231	—	—
Races Tax	135,330	135,330	—	—
Dog Licences	6,340	6,340	—	—
Marriage Licences	22,914	22,914	—	—
Land Sale	72,882	—	—	72,882
Timber Sales (Stumpage)	360,570	—	360,570	—
"Motor-vehicle Act"—Licences, etc.	(3) 2,198,655	(2) 1,672,930	(2) 525,725	—
Trade Licences	33,823	—	33,823	—
Free Miners' Certificates	77,063	77,063	—	—
Real-estate Agents' Licences	3,417	—	3,417	—
Totals	22,940,443	9,835,902	10,440,963	2,663,578

(1) The 1936 figure is based on assessments on individuals and industry (output and corporation taxes) and not on actual collections, as information with regard to collections was not complete.

(2) Distribution is estimated.

(3) For Motor Licence Year ended February 29, 1936.

SOURCE: British Columbia, Public Accounts, 1935-36, Statements of Department of Finance Officials.

In order to analyse still further the economic basis of taxation in this Province an attempt was made to estimate the incidence of provincial taxation on the basis of wasting or wastable provincial assets. This segregation was naturally easier in the case of taxation of industries, and the results are seen in Table 100. It is here indicated that of the taxes paid by industries in this Province, approximately 54.51 per cent. is directly based on wasting or wastable assets, and 45.49 per cent. on industries having non-wasting assets. It must again be pointed out, however, that much of the activity in the non-wasting asset industries is indirectly attributable to the existence of the wasting asset industries.

In the case of the segregation on the same basis of taxation on individuals, it will easily be seen that the difficulty of segregation is much greater. How-

ever, the results are seen in Table 101. This table is based on an analysis of the earnings of those gainfully employed in industries, as taken from the 1931 Census of Canada. On this basis it is estimated that of those gainfully employed in this Province, 30.18 per cent. of the income is attributable to wasting asset industries and 69.80 per cent. to non-wasting asset industries. Here again the basic importance of the wasting asset industries to the existence of the non-wasting asset industries must be emphasized.

Table 102 shows the receipts of the Dominion Government from customs duties, excise duties, and war tax revenue, in the Province of British Columbia, 1871 to 1936-1937, showing that over this period the Dominion Government collected from these sources in this period \$572,357,828, \$369,690,715 being from customs duties, \$34,408,468 from excise duties, \$92,990,575 from excise taxes, and \$75,568,070 from income taxes. During the calendar year 1937 it is estimated that in income taxes alone, the Dominion Government has received from this Province approximately \$8,809,506.31, which is almost as large as the total income tax collected from the three Prairie Provinces together with the Maritime Provinces, which amounted to \$9,219,712.54, approximately. Based on the rate of income tax collections in the two areas during the past eighteen months, it is likely that at the end of the fiscal year 1937-1938, the collections in British Columbia will have exceeded combined collections in the Prairie and Maritime Provinces.

TABLE 100.

AN ESTIMATE OF THE INCIDENCE OF PROVINCIAL TAXATION IN BRITISH COLUMBIA ON (a) WASTING OR WASTABLE INDUSTRIES(A), (b) NON-WASTING INDUSTRIES(B), FISCAL YEAR 1935-1936.

(In dollars.)

Taxation Classification.	Total Receipts, 1935-1936.	WASTING OR WASTABLE INDUSTRIES.				NON-WASTING INDUSTRIES.					
		Mining.	Forestry.	Fishing.	Agri- culture.	Manu- facturing.	Electric Light, Trans- portation, and Com- munication (Public Utilities).	Con- struction.	Trade.	Finance.	Service.
Income Tax, Output and Corporation Taxes	4,577,361	1,224,628	298,833	-----	-----	488,927	1,367,176	-----	495,611	702,186	-----
Mineral Tax	403,014	403,014	-----	-----	-----	-----	-----	-----	-----	-----	-----
Unworked Crown-granted Mineral Claims	50,038	50,038	-----	-----	-----	-----	-----	-----	-----	-----	-----
Fishing and Cannery Licences	117,574	-----	-----	117,574	-----	-----	-----	-----	-----	-----	-----
Fuel-oil Tax	435,406(1)	-----	-----	-----	-----	195,497	239,909	-----	-----	-----	-----
Gasoline Tax	1,065,256(2)	40,000	124,190	30,000	100,000	75,000	280,000	75,000	250,000	30,000	61,066
Lumber Leases	69,711	-----	69,711	-----	-----	-----	-----	-----	-----	-----	-----
Timber Licences	647,725	-----	647,725	-----	-----	-----	-----	-----	-----	-----	-----
Timber Royalties	1,744,451	-----	1,744,451	-----	-----	-----	-----	-----	-----	-----	-----
Mining Receipts	162,703	162,703	-----	-----	-----	-----	-----	-----	-----	-----	-----
Grazing Fees and Rentals	13,069	-----	-----	-----	13,069	-----	-----	-----	-----	-----	-----
Water Rental and Recording Fees	231,120(3)	95,007	42,146	-----	10,151	10,078	73,738	-----	-----	-----	-----
Timber Sales (Stumpage)	360,570	-----	360,570	-----	-----	-----	-----	-----	-----	-----	-----
" Motor-vehicle Act "	525,725(4)	25,000	55,000	15,000	60,000	40,000	115,000	45,000	125,000	10,000	35,725
Trade Licences	33,823	-----	-----	-----	-----	-----	-----	-----	33,823	-----	-----
Real-estate Agents' Licences	3,417	-----	-----	-----	-----	-----	-----	-----	-----	3,417	-----
Incidence on each Industry	10,440,963	2,000,390	3,342,626	162,574	183,220	809,502	2,075,823	120,000	904,434	745,603	96,791
Per Cent. of Incidence on each Industry (%)	100.0	19.19	32.02	1.56	1.75	7.75	19.87	1.15	8.66	7.14	.92
Incidence on Wasting and Non-wasting Industries (\$)			5,689,620						4,752,153		
Per Cent. of Incidence on Wasting and Non-wasting Industries (%)			54.51						45.49		

(A) Including Mining, Forestry, Fishing, and Agriculture.

(B) Including Manufacturing, Electric Light and Power and Transportation and Communication, Construction, Trade, Finance, and Service.

The Incidence of the following taxes was apportioned to each industry as follows:

- (1) Estimated on the basis of consumption of taxable fuel oil by industries.
- (2) Estimated on basis of taxable gasoline consumed by each industry, along with refund data.
- (3) Estimated on basis of detailed revenue receipts and consumption of electricity generated (power) by industries.
- (4) Estimated.

SOURCE: British Columbia: Public Accounts, 1935-1936. Statements from various departments.

TABLE 101.

AN ESTIMATE OF THE INCIDENCE OF PROVINCIAL TAXATION IN BRITISH COLUMBIA ON GAINFULLY EMPLOYED IN
(a) WASTING OR WASTABLE INDUSTRY GROUPS, (b) NON-WASTABLE INDUSTRY GROUPS, FISCAL YEAR 1935-36.

(ON THE BASIS OF EARNED INCOME OF GAINFULLY EMPLOYED AT CENSUS PERIOD JUNE 1ST, 1930, TO JUNE 1ST, 1931.) (A)

Industry Groupings.	MALES.			FEMALES.			TOTAL EARNED INCOME.		Percentage of Earned Income.	Taxation Receipts from Individuals by Industries, (2)
	Gainfully Employed.	Wages.	Earned Income.	Gainfully Employed.	Wages.	Earned Income.	By Divisions of Industry.	By Industry Groupings.		
All Industries.....	262,515	—	—	43,748	—	—	—	\$254,910,051	100.00	\$9,835,902
Agriculture—										
Primary.....	41,596	\$410	\$17,054,360	1,460	\$252	\$367,820	\$17,422,280	\$22,477,518	8.82	\$867,527
Vegetable Products.....	3,339	1,115	3,722,985	705	533	376,765	4,098,750	956,488		
Animal Products.....	1,243	715	888,745	193	351	67,743				
Forestry—										
Primary (Logging).....	15,491	555	8,597,505	126	483	60,858	8,658,363	27,324,685	10.72	1,054,409
Wood Pulp and Paper Products.....	20,602	877	18,067,954	813	736	598,368	18,666,322			
Fishing—										
Primary.....	7,923	555	4,397,265	32	483	15,456	4,412,721	6,752,877	2.65	260,651
Canning (Animal Products).....	3,000	715	2,145,000	556	351	195,756	2,340,156			
Hunting and Trapping.....	1,595	410	653,950	21	252	5,292	659,242		.26	25,573
Mining—										
Non-ferrous.....	2,980	1,430	5,691,400	123	934	114,882	5,806,282			
Non-metallic.....	1,850	1,215	2,247,750	58	883	51,214	2,298,964	19,711,598	7.73	760,315
Primary.....	12,657	912	11,543,184	84	762	63,168	11,606,352			
Total Wasting Industries.....								\$76,925,920	30.18	\$2,968,475
Manufacturing—(1)										
Textile.....	459	\$1,135	\$520,965	495	\$498	\$246,518	\$767,483	\$8,542,167	3.35	\$329,453
Iron and Products.....	5,459	1,058	5,775,622	181	765	138,465	5,914,087			
Chemical.....	845	1,346	1,137,370	61	700	11,200	1,148,570			
Miscellaneous.....	649	1,009	654,841	81	706	57,186	712,027			
Electric Light and Power.....	1,007	1,561	1,571,927	55	911	50,105	1,622,032	1,622,032	.64	62,950
Construction.....	24,620	728	17,908,808	129	771	99,459	18,008,267	18,008,267	7.06	694,315
Transportation and Communication.....	29,220	1,131	38,307,420	2,539	84	2,153,072	40,460,492	40,460,492	15.87	1,560,758
Trade.....	27,301	1,128	30,795,528	7,506	644	4,833,864	35,629,392	35,629,392	13.98	1,375,859
Finance.....	5,744	1,569	9,012,356	1,837	810	1,487,970	10,500,306	10,500,306	4.12	405,139
Service.....	38,426	1,117	42,921,842	26,452	589	15,680,228	58,502,070	58,502,070	22.96	2,258,023
Unspecified.....	15,509	286	4,435,574	241	320	77,120	4,512,694	4,512,694	1.77	174,061
All Others (less than ten).....	42	1,613	67,746	205	673	137,965	205,711	205,711	.08	7,869
Total Non-wasting Industries.....								\$177,983,131	69.82	\$6,867,427

(A) It is assumed that the average income for this census year of a wage-earner is representative of the average income of all the gainfully employed in each industry.

(1) Industrial groupings under this heading which are the first processing of products of the primary industries, necessary to render the primary products into usable form, are classified under their primary product headings (i.e., Fish canning, Animal Products, etc.).

(2) Taxation incidence on individuals by industries is assumed to be approximately the same as income of individuals by industries.

SOURCE: Census of Canada: Volume VII.—Occupations and Industries.

Bulletin 83—Wages of Wage Earners by Industries.

TABLE 102.

RECEIPTS OF THE DOMINION GOVERNMENT FROM CUSTOM DUTIES, EXCISE DUTIES, AND WAR TAX REVENUE (EXCISE TAXES AND INCOME TAX) IN THE PROVINCE OF BRITISH COLUMBIA, 1871 TO 1935-36, INCLUSIVE.

(In dollars.)

Fiscal Year Ending.	Customs Duties Collected at B.C. Ports.	Excise Duties Collected in B.C. or at Points of Entry into the Province.	WAR TAX REVENUE.		Total. (3)
			Excise Taxes. (1)	Income Tax.	
1871-1872.....	342,400	-----	-----	-----	342,400
1872-73.....	302,148	5,723	-----	-----	307,871
1873-74.....	336,495	10,883	-----	-----	347,378
1874-75.....	413,992	11,181	-----	-----	425,173
1875-76.....	488,385	14,943	-----	-----	503,328
1876-77.....	403,521	20,300	-----	-----	423,821
1877-78.....	426,125	25,000	-----	-----	451,125
1878-79.....	516,262	32,120	-----	-----	548,382
1879-80.....	450,175	35,016	-----	-----	485,191
1880-81.....	599,428	46,498	-----	-----	645,926
1881-82.....	679,207	56,939	-----	-----	736,146
1882-83.....	907,766	68,256	-----	-----	976,022
1883-84.....	884,076	58,018	-----	-----	942,094
1884-85.....	966,144	59,985	-----	-----	1,026,129
1885-86.....	880,227	87,073	-----	-----	967,300
1886-87.....	883,422	89,251	-----	-----	972,673
1887-88.....	861,465	87,818	-----	-----	949,283
1888-89.....	974,677	111,124	-----	-----	1,085,801
1889-90.....	1,078,215	138,044	-----	-----	1,216,259
1890-91.....	1,346,425	153,295	-----	-----	1,499,720
1891-92.....	1,412,878	237,966	-----	-----	1,650,844
1892-93.....	1,220,522	249,099	-----	-----	1,469,621
1893-94.....	1,189,414	242,997	-----	-----	1,432,411
1894-95.....	1,053,691	252,395	-----	-----	1,306,086
1895-96.....	1,306,739	294,424	-----	-----	1,601,163
1896-97.....	1,558,889	327,758	-----	-----	1,886,647
1897-98.....	2,213,593	421,987	-----	-----	2,635,580
1898-99.....	2,111,322	514,005	-----	-----	2,625,327
1899-1900.....	2,354,779	508,381	-----	-----	2,863,160
1900-01.....	2,358,843	482,926	-----	-----	2,841,769
1901-02.....	2,354,405	474,098	-----	-----	2,828,503
1902-03.....	2,417,118	473,133	-----	-----	2,890,251
1903-04.....	2,724,412	505,206	-----	-----	3,229,618
1904-05.....	2,812,813	500,222	-----	-----	3,313,035
1905-06.....	3,336,805	530,713	-----	-----	3,867,518
1906-07 (9 mos.).....	2,820,516	450,204	-----	-----	3,270,720
1907-08.....	5,023,784	661,703	-----	-----	5,685,487
1908-09.....	4,469,970	620,193	-----	-----	5,090,163
1909-10.....	5,774,077	632,024	-----	-----	6,406,101
1910-11.....	8,154,842	766,653	-----	-----	8,921,495
1911-12.....	10,612,829	889,502	-----	-----	11,502,331
1912-13.....	13,763,025	995,646	-----	-----	14,758,671
1913-14.....	11,366,923	881,381	-----	-----	12,248,304
1914-15.....	7,373,100	718,417	9,597	-----	8,101,114
1915-16.....	6,751,130	637,699	81,941	-----	7,470,770
1916-17.....	8,892,643	953,464	86,953	-----	9,933,060
1917-18.....	10,226,638	902,568	98,726	-----	11,227,932
1918-19.....	11,476,646	246,962	488,346	520,618	12,732,572
1919-20.....	11,543,104	606,321	420,544	995,434	13,565,403

TABLE 102—Continued.

RECEIPTS OF THE DOMINION GOVERNMENT FROM CUSTOM DUTIES,
EXCISE DUTIES, ETC.—Continued.

Fiscal Year Ending.	Customs Duties Collected at B.C. Ports.	Excise Duties Collected in B.C. or at Points of Entry into the Province.	WAR TAX REVENUE.		Total. (3)
			Excise Taxes. (1)	Income Tax.	
1920-21	11,914,004	546,490	2,103,209	2,237,711	16,801,414
1921-22	12,299,324	458,477	3,897,847	5,168,570	21,824,218
1922-23	14,514,601	469,357	6,013,024	3,641,301	24,638,283
1923-24	15,021,470	662,844	7,178,204	3,646,964	26,509,482
1924-25	13,387,031	632,608	5,292,333	3,930,498	23,242,470
1925-26	15,192,001	981,587	6,094,728	4,150,852	26,419,168
1926-27	15,943,964	1,711,581	6,623,909	3,832,152	28,111,606
1927-28	16,314,143	1,935,809	5,279,024	5,440,359	28,969,335
1928-29	16,978,615	1,775,112	4,533,884	4,123,203	27,410,814
1929-30	17,898,924	1,708,391	3,773,012	4,495,649	27,875,976
1930-31	12,824,379	1,037,636	1,992,650	5,106,454	20,961,119
1931-32	9,553,857	656,220	3,251,472	4,403,853	17,865,402
1932-33	6,679,149	576,835	4,570,755	4,082,526	15,909,265
1933-34	6,224,435	707,695	7,562,350	3,662,149	18,156,629
1934-35	7,070,033	1,096,858	7,209,637	4,287,568	19,664,096
1935-36	7,217,767	1,110,389	7,011,577	5,082,989	20,422,722
1936-37	8,214,013	1,251,045	9,416,853	6,759,220	25,668,151
Totals	369,690,715	34,408,468	92,990,575	75,568,070	(2) 572,357,828

(1) Excise Taxes: War Revenue Act, 1914-1915 to 1936-1937, inclusive.

Includes those taxes collected by the Federal Department of Inland Revenue (1914 to 1918); Customs and Inland Revenue (1918-1921); Customs and Excise (1922 to 1927); Department of National Revenue (1927 to 1937); and administered by the Commissioner of Excise.

Collections at British Columbia points of entry of commodities from foreign countries entering Canada, and collections from manufacturers in British Columbia.

(2) War Revenue Business Profits Tax collected by the Dominion in British Columbia amounting to \$9,847,218 is not included in this table of tax revenue.

(3) During the period 1872 to 1934-1935, inclusive, the Dominion Government collected in British Columbia the non-tax revenue itemized below:

Post Office	\$54,227,702
Public Works	3,836,047
Marine and Fisheries	5,882,464
Chinese Immigration	12,843,552
Trade and Commerce (Weights and Measures)	429,466
Land, etc.	8,361,398
Finance	2,651,900
Miscellaneous	14,751,923
Not segregated	57,076,317
Total Non-tax Revenue	\$160,060,769
Total Tax Revenue	529,954,322
Total	\$690,015,091

(These figures are based on a statement supplied by the British Columbia Department of Finance, Treasury Department.)

SOURCES: Canada:

Department of Inland Revenue Report, 1873 to 1918 inclusive.

Department of Customs and Inland Revenue, 1918 to 1921 inclusive.

Department of Customs and Excise, 1922 to 1927 inclusive.

Department of National Revenue, 1928 to 1937, inclusive.

Canada Year Book, 1919 to 1937 inclusive; Dominion Bureau of Statistics, Incomes Assessed for Income War Tax in Canada, 1932 to 1936 inclusive.

Trade of Canada for the fiscal year ending 1936. Statement of Custom Duty collections at British Columbia points of entry, 1872 to 1936 inclusive.

Table 103 is an attempt to segregate Dominion revenue on the basis of its incidence on individuals and on industry.

TABLE 103.

ESTIMATED INCIDENCE OF THE DOMINION TAXATION SYSTEM ON INDIVIDUALS AND INDUSTRY OF BRITISH COLUMBIA, FISCAL YEAR 1935-1936. (1)

(In dollars.)

Taxation Classification.	AREA OF COLLECTION.		INCIDENCE OF DOMINION TAXATION IN B.C.		
	At Ports of Entry and Internal Collection Offices of Canada.	At Ports of Entry and Internal Collection Offices in B.C.	Total (Industry and Individuals).	Individuals.	Industry.
I. Custom Duties	82,784,317.12	7,217,767	7,217,767 (a)	7,217,767 (d)	.....
II. Excise Duties:					
Spirits, Potable	6,451,550.01	440,059	440,059 (b)	440,059	.....
Spirits, Non-potable	950,031.13	33,258	33,258 (c)	33,258	.....
Validation Fee	600,417.03	37,864	37,864 (c)	.....	37,864
Malt	7,691,832.00	533,299	533,299 (c)	533,299	.....
Beer	408,759.88	12,922	27,469 (d)	27,469	.....
Malt Syrup	163,709.53	26,477	26,477 (c)	26,477	.....
Tobacco and Manufactures—					
Cigars	373,668.10	1,264			
Cigarettes	21,322,684.36	24			
Manufactured Tobacco	4,633,721.70	20,581	1,952,307 (d)	1,952,307	.....
Foreign Leaf	2,722,106.65	1,314			
Licences	40,539.50	3,337	3,337 (c)	.....	3,337
III. Sundry Customs—Excise Collections	742,258.02	39,723	39,723 (c)	39,723	.....
IV. War Tax Revenues: Excise Taxes (Department of National Revenue):					
A. Domestic—					
Licences	41,872.00	3,522	3,522 (c)	.....	3,522
Automobiles, Tires, and Tubes	1,261,918.30	9,711	102,215 (e)	102,215	.....
Stamps (Cheques, Promissory Notes)	4,404,763.91	293,328	293,328 (c)	146,664 (k)	146,664 (k)
Matches	1,566,896.00	.....	105,295 (d)	105,295	.....
Sales Tax	70,259,941.34	2,698,936	6,463,915 (f)	6,463,915	.....
Playing Cards	278,090.00	.....	18,688 (d)	18,688	.....
Toilet Preparations and Soap	1,078,376.24	7,233	72,467 (d)	72,467	.....
Cigars	124,836.24	800	11,984 (d)	11,984	.....
Lighters	18,881.22	.....	1,269 (d)	1,269	.....
Wines	203,465.89	14,748	14,748 (c)	14,748	.....
Sugar	10,037,792.06	1,494,986	1,494,986 (g)	1,494,986	.....
Transportation and Telephones	1,460,432.39	41,842	41,842 (c)	20,421 (k)	20,421 (k)
Interest	85,671.63	6,465	6,465 (c)	6,465	.....
B. Importations—					
Sales Tax	10,918,243.01	1,516,711	1,516,711 (e)	1,516,711	.....
Excise	1,561,268.49	23,768	23,768 (a)	23,768	.....
Special Excise, 3%	12,939,181.52	899,526	899,526 (e)	899,526	.....
V. War Tax Revenues:					
Income Tax—					
Individuals					
Corporations	32,983,232.00	2,033,279	2,033,279 (c)	2,033,279	.....
Special 5% Dividend Tax	42,518,971.00	3,049,710	3,049,710 (c)	.....	3,049,710
Chartered Bank (Note Circulation)	7,207,601.00	429,129	429,129 (c)	429,129	.....
Insurance Companies	1,280,933.00	.....	64,029 (i)	64,029	.....
Department of Mines: Tax on Gold (Premium)	760,843.00	.....	51,129 (d)	51,129	.....
Sundry Tax Revenues:	1,412,825.00	.....	141,282 (h)	.....	141,282 (k)
Export of Electricity	306,410.00	.....	.....	.....	.....
Yukon Gold Tax	16,712.00	.....	.....	.....	.....
North-West Fur Tax	103,903.00	.....	.....	.....	.....
Total Tax Revenues of the Government of Canada	331,948,686.36	20,891,864	27,150,847	23,203,260 (s)	3,947,587

(1) Non-tax Revenue of the Dominion Government is not included in this Table.

(a) Collections of Custom and Excise Duties, and Excise and Sales Taxes on importations at the ports of entry of British Columbia.

(b) Collections in British Columbia. This figure is too small by the amount of collections at points of entry of other provinces of liquor consumed in British Columbia.

(c) Collections in British Columbia approximate the incidence on individuals and industry in British Columbia.

(d) Estimated on a *per capita* basis.

(e) Estimated on the basis of car registrations.

(f) Estimated on the basis of retail sales in British Columbia and all of Canada.

(g) Too large by the amount on the export of sugar to the Prairie Provinces from British Columbia (domestic).

(h) Estimated on the basis of Gold Production in British Columbia and all of Canada.

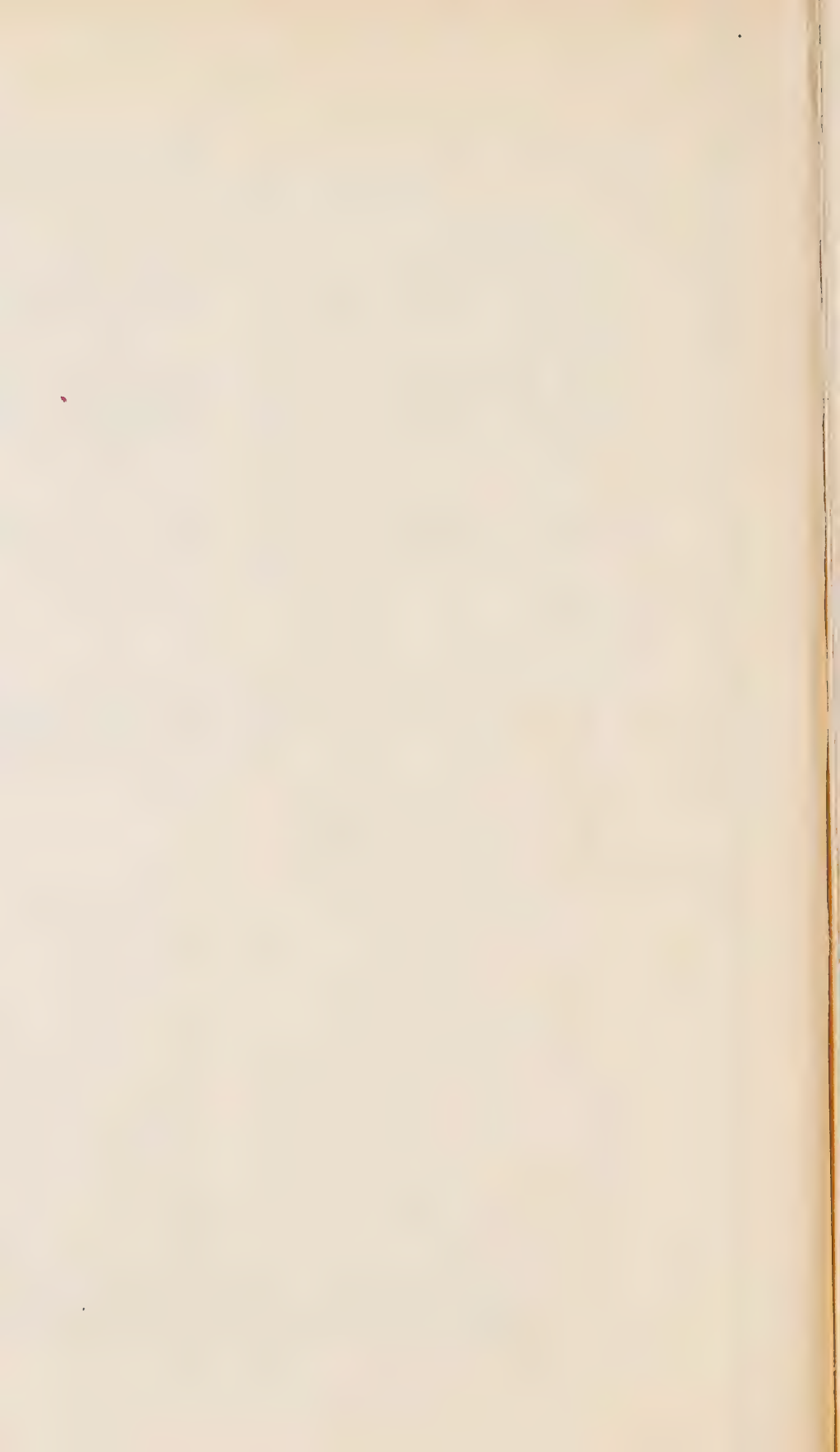
(i) Estimated on the basis of bank debits in British Columbia and all of Canada.

(j) This figure is too large by the amount of the custom duties paid by industry for producers' goods.

(k) Incidence on individuals and industry estimated.

(s) This total figure for the incidence on individuals is too large by the amount of indirect taxes (sales, etc.) absorbed as a cost of production or sales by industry and not passed on to the individual as a part of the cost of the article.

Source: Dominion Bureau of Statistics, *Public Accounts of Canada, Canada Year Book, 1937.*



This is summarized in Table 104, which would indicate that the incidence of the Dominion taxation is more largely on individuals, while the incidence of Provincial taxation is approximately evenly divided as between individuals and industry. When it is kept in mind that the economy of this Province is in the main based on wasting or wastable assets, the advantageous position of the Dominion Government is seen, in that the incidence of its tax system is cushioned; that is, the revenue of the Provincial Government would likely be more directly affected by any change in business conditions than that of the Dominion.

Any tax system should be related to the income system on which it is imposed. It is natural, therefore, that in the case of the Dominion taxation system, which is uniform throughout the nine Provinces, its incidence should fall differently on different economic areas. In industrial areas or areas in which business is carried out on a large scale, the income tax is more likely to touch at least part of the income of the community. In areas where small scale operations are carried on, the total income of the community may be equally large, but as there are no peaks in this income it is little affected by the income tax. This indicates the difficulty of developing a federal taxation system, which is equal in its incidence and burden over all parts of the Dominion. In other words the large collections of income tax in the Province of British Columbia is not an evidence of high income on the part of the people. It is based on the economic structure of the Province. It has been shown (Part III.) that much of this income is based on the sale of capital assets and is not true income.

TABLE 104.

THE ESTIMATED INCIDENCE OF THE PROVINCIAL AND DOMINION TAXATION SYSTEMS ON INDIVIDUALS AND INDUSTRY IN BRITISH COLUMBIA, FISCAL YEAR 1935-1936.

(In dollars.)

Classification.	PROVINCIAL TAX REVENUE.		DOMINION TAX REVENUE (ESTIMATED)		TOTAL DOMINION AND PROVINCIAL TAXATION.	
	Dollars.	% of Total.	Dollars.	% of Total.	Dollars.	% of Total.
Total Tax Revenue Collections (1)	22,940,443	100.0	27,150,677	100.0	50,091,120	100.0
Incidence on Individuals—Total	9,804,674	42.7	23,211,077	85.5	.....	65.9
Incidence on Industry—Total	10,472,191	45.6	3,947,917	14.5	14,420,108	28.8
Incidence on Land—Total	2,663,578	11.7	.....	.....	2,663,578	5.3

(1) Provincial Tax Revenue, fiscal year 1935-36, with adjusted income tax (assessments) and Motor-vehicle Act fees (licence year). See Table 99.

The figure for the incidence on individuals of Dominion taxes (customs duties, sales, etc.) is too large by the amount paid by industry for producers' goods.

PROVINCIAL DEBT.

Table 105 shows the growth of the Provincial Debt from \$189,150.00 in 1874 to \$147,404,785.83 in 1937.¹ This Table includes five items, namely:

- (a) The funded debt;
- (b) Treasury bills and overdrafts;
- (c) The gross debt, which is the sum of (a) and (b)

(1) The gross debt, March 31st, 1937, was \$183,022,247.20.

(d) The sinking fund; and²

(e) The net debt, which is the difference of (d) and (c).

It will be noticed that the increase in the debt during the last 26 years has been most rapid.

The most important item in this table is the Pacific Great Eastern Railroad Company guarantee. In 1919 this guarantee was cut down from \$31,710,000 to \$20,160,000. In 1916 the Province was first called upon to assume interest charges of rather more than a million dollars each year. Table 105 includes the guarantee of \$20,160,000 from 1916 to the present day. In the Public Accounts it is given as a contingent capital liability up until 1936 when it was included as direct liability.

TABLE 105.
ANALYSIS OF PUBLIC DEBT.⁽¹⁾
FISCAL YEARS 1874-1937, INCLUSIVE.

Fiscal Year.	Funded.	Treasury Bills.	Gross Debt (2).	Sinking Funds (4).	Net Debt.
1874	\$189,150.00	.....	\$189,150.00	.....	\$189,150.00
1875	33,750.00	.....	33,750.00	.....	33,750.00
1876	86,000.00	.....	86,000.00	.....	86,000.00
1877	838,000.00	.....	838,000.00	\$7,388.00	830,612.00
1878	818,000.00	.....	818,000.00	36,462.00	781,538.00
1879	793,000.00	.....	793,000.00	51,914.00	741,086.00
1880	773,000.00	.....	773,000.00	47,189.00	725,811.00
1881	773,000.00	.....	773,000.00	63,277.00	709,723.00
1882	773,000.00	.....	773,000.00	73,420.00	699,580.00
1883	760,000.00	.....	760,000.00	101,961.00	658,039.00
1884	747,500.00	.....	747,500.00	120,089.00	627,411.00
1885	747,500.00	.....	747,500.00	139,426.00	608,074.00
1886	747,500.00	.....	747,500.00	159,990.00	587,510.00
1887	747,500.00	.....	747,500.00	170,792.00	576,708.00
1888	1,743,690.00	.....	1,743,690.00	221,286.00	1,522,404.00
1889	1,743,690.00	.....	1,743,690.00	262,467.00	1,481,223.00
1890	1,743,690.00	.....	1,743,690.00	304,969.00	1,438,721.00
1891	1,743,690.00	.....	1,743,690.00	343,160.00	1,400,520.00
1892	2,713,690.00	.....	2,713,690.00	403,474.00	2,310,216.00
1893	2,962,568.00	.....	2,962,568.00	450,388.00	2,512,180.00
1894	3,573,813.00	.....	3,573,813.00	528,646.00	3,045,167.00
1895	5,625,824.00	.....	5,625,824.00	593,858.00	5,031,966.00
1896	5,630,286.00	.....	5,630,286.00	513,688.00	5,116,598.00
1897	5,739,986.00	.....	5,739,986.00	598,406.00	5,141,580.00
1898	6,210,986.00	.....	6,210,986.00	645,616.00	5,565,370.00
1899	6,180,986.00	.....	6,180,986.00	713,859.00	5,467,127.00
1900	8,039,986.00	.....	8,039,986.00	819,861.00	7,220,125.00
1901	8,009,986.00	.....	8,009,986.00	926,230.00	7,080,756.00
1902	8,009,986.00	.....	8,009,986.00	1,042,220.00	6,967,766.00
1903	11,486,836.00	.....	11,486,836.00	1,194,063.00	10,292,773.00
1904	12,476,836.00	.....	12,476,836.00	1,351,051.00	11,125,785.00
1905	12,366,836.00	.....	12,366,836.00	1,513,538.00	10,853,298.00
1906	12,256,836.00	.....	12,256,836.00	1,695,072.00	10,561,764.00
1907	11,684,146.00	.....	11,684,146.00	1,420,611.00	10,263,535.00
1908	10,998,146.00	.....	10,998,146.00	1,586,539.00	9,411,607.00
1909	10,894,146.00	.....	10,894,146.00	1,685,551.00	9,208,595.00
1910	10,819,146.00	.....	10,819,146.00	1,849,369.00	8,969,777.00
1911	10,790,146.00	.....	10,790,146.00	2,018,581.00	8,771,565.00
1912	10,786,146.00	.....	10,786,146.00	2,193,793.00	8,592,353.00
1913	10,752,146.00	.....	10,752,146.00	2,375,217.00	8,376,929.00
1914	10,748,146.00	\$1,503,500.00	12,251,646.00	2,563,428.00	9,688,218.00
1915	18,023,146.00	2,700,000.00	20,723,146.00	2,773,871.00	17,949,275.00
1916	(2) 41,313,146.00		41,313,146.00	2,976,713.00	38,336,433.00
1917	43,587,171.00	(3) 2,094,689.17	45,681,860.17	3,429,135.37	42,252,724.80

(2) The Sinking Funds in Table 105 are represented by the market value of securities, excepting British Columbia's, which are taken at par, plus uninvested cash and accrued interest; in the Public Accounts they are represented by actual cash contributions and cash earnings thereon.

TABLE 105—Continued.
ANALYSIS OF PUBLIC DEBT(1)—Continued.

Fiscal Year.	Funded.	Treasury Bills.	Gross Debt (2).	Sinking Funds (4).	Net Debt.
1918	43,496,261.00	3,550,000.00	47,046,261.00	4,209,234.25	42,836,976.75
1919	47,986,561.00	2,810,000.00	50,796,561.00	4,886,273.15	45,910,287.85
1920	54,496,861.00	2,670,000.00	57,146,861.00	5,837,600.52	51,309,260.48
1921	66,906,661.00	7,524,600.00	74,431,261.00	12,906,627.75	61,524,633.25
1922	82,236,961.00	1,703,000.00	83,939,961.00	14,249,869.47	69,690,091.53
1923	86,227,261.00	3,103,000.00	89,330,261.00	15,855,446.84	73,474,814.16
1924	89,217,561.00	4,272,460.00	93,490,021.00	17,533,236.05	75,956,784.95
1925	96,800,161.00	2,756,088.00	99,556,249.00	19,468,711.09	80,087,537.91
1926	91,832,461.00	5,114,520.00	96,946,981.00	14,256,954.49	82,690,026.51
1927	95,822,761.00	2,246,176.00	98,068,937.00	14,527,876.35	83,541,060.65
1928	92,603,061.00	10,178,300.00	102,781,361.00	17,083,809.14	85,697,551.86
1929	97,800,361.00	10,183,069.00	107,983,430.00	18,568,711.44	89,414,718.56
1930	113,673,161.00	5,689,694.00	119,362,855.00	21,277,491.81	98,085,363.19
1931	133,171,461.00	2,517,700.00	135,689,161.00	24,297,935.29	111,391,225.71
1932	139,607,425.00	5,207,326.53	144,814,751.53	27,635,699.66	117,179,051.87
1933	145,611,561.00	11,001,189.70	156,612,750.70	30,017,720.60	126,595,030.10
1934	149,432,361.00	12,594,406.21	162,026,767.21	30,854,843.16	131,171,924.05
1935	147,570,661.00	20,825,141.21	168,395,802.21	32,717,498.36	135,678,303.85
1936	144,487,961.00	33,513,586.58	178,001,547.58	34,294,379.42	143,707,168.16
1937	145,626,261.00	37,395,986.20	183,022,247.20	35,617,461.87	\$147,404,785.83

(1) Excluding Unfunded Deficits.

(2) P.G.E. guarantee, \$20,160,000, included 1916-1937. Province called upon to assume interest charges in 1916.

(3) British Columbia Stock and Debentures: P.G.E., Ltd., Stock and Bonds; Treasury Bills and authorized overdrafts; and British Columbia House.

(4) Sinking Fund is valued on basis of price paid for debentures, not market values.

SOURCE: British Columbia, Department of Finance, Treasury Branch.

Table 106 attempts to show to what extent the Province's liability might be increased in the event of the Treasury becoming liable for the guaranteed debentures of various corporations.³ The Canadian Northern Pacific and the Pacific Great Eastern comprise the main bulk of the guarantees. This Table is based on the Public Accounts, and in the case of the P.G.E. there is thus duplication from 1916-1936 by Tables 105 and 106. For all practical purposes it can be assumed that the P.G.E. became a direct liability in 1916. The Dominion Government took over the Canadian Northern Pacific, and it is now incorporated as part of the Canadian National Railways. To-day the Dominion Government is financially responsible to the stockholders of the railway's debentures, and British Columbia could only become liable in the event of the Dominion Government failing to keep to its contractual obligations. The remaining items in Table 106 are not quantitatively important. Sinking funds have been established by all parties concerned (with the exception of the two railroads) and thus an effort is being made to pay off these debts. Additional indebtedness on the part of this Province, arising out of the contingent liabilities guaranteed by it, is unlikely.

(3) This Table shows the amount to which the Province has authorized corporations to issue guaranteed securities; in some instances the corporations concerned have not chosen to issue the full amount authorized, or have since redeemed in part the securities once issued and authorized.

TABLE 106.
POTENTIAL LIABILITIES. (6)

Fiscal Year (ending March 31).	Canadian Northern Pacific Rail- road Co. (1)	Pacific Great Eastern Ry. Co. (2)	Nakusp and Slocan Ry. Co.	Vancouver and District Joint Sewerage and Drainage Board. (3)	French's Complex Ore Reduction Co., Ltd.	Agricultural Credit Com- mission. (4)	West Vancouver Dyking District. (5)	Confederation of District of South Vancouver.	Totals.
1914	\$47,975,000	\$41,710,000	\$647,072	.....	.....	.....	.....	.....	\$80,332,072.00
1915	47,975,000	20,160,000	647,072	.....	.....	.....	.....	.....	80,332,072.00
1916	47,975,000	20,160,000	647,072	\$5,000,000.00	\$40,000	\$1,000,000	.....	.....	73,782,072.00
1917	47,975,000	20,160,000	647,072	5,000,000.00	40,000	1,000,000	.....	.....	74,822,072.00
1918	47,975,000	20,160,000	647,072	2,433,333.00	40,000	1,000,000	.....	.....	72,255,405.00
1919	47,975,000	20,160,000	.....	2,433,333.00	65,000	1,000,000	\$90,000	.....	71,723,333.00
1920	47,975,000	20,160,000	.....	3,233,333.00	65,000	1,000,000	90,000	\$704,370.12	73,227,703.12
1921	47,975,000	20,160,000	.....	3,233,333.00	65,000	1,000,000	90,000	704,370.12	73,227,703.12
1922	47,975,000	20,160,000	.....	3,233,333.00	40,000	1,000,000	90,000	854,066.68	73,352,399.68
1923	47,975,000	20,160,000	.....	3,233,333.00	40,000	1,000,000	90,000	.....	72,498,333.00
1924	47,975,000	20,160,000	.....	3,233,333.00	40,000	1,000,000	90,000	.....	72,498,333.00
1925	47,975,000	20,160,000	.....	3,233,333.00	40,000	1,000,000	90,000	.....	72,498,333.00
1926	47,975,000	20,160,000	.....	4,233,333.33	40,000	1,000,000	90,000	.....	73,498,333.33
1927	47,975,000	20,160,000	.....	4,233,333.33	40,000	1,000,000	90,000	.....	73,498,333.33
1928	47,975,000	20,160,000	.....	4,233,333.33	40,000	1,000,000	90,000	.....	73,498,333.33
1929	47,975,000	20,160,000	.....	4,533,333.33	.....	1,000,000	90,000	.....	74,358,333.33
1930	47,975,000	20,160,000	.....	5,133,333.33	.....	1,000,000	90,000	.....	74,358,333.33
1931	47,975,000	20,160,000	.....	5,733,333.33	.....	1,000,000	90,000	.....	74,958,333.33
1932	47,975,000	20,160,000	.....	6,733,333.33	.....	1,000,000	90,000	.....	75,958,333.33
1933	47,975,000	20,160,000	.....	6,733,333.33	.....	1,000,000	90,000	.....	75,958,333.33
1934	47,975,000	20,160,000	.....	6,733,333.33	.....	1,000,000	90,000	.....	75,958,333.33
1935	47,975,000	20,160,000	.....	6,958,333.33	.....	1,000,000	90,000	.....	76,183,333.33
1936	47,975,000	.....	.....	7,033,333.33	.....	1,000,000	90,000	.....	56,098,333.33
1937	47,975,000	.....	.....	7,033,333.33	.....	1,000,000	90,000	.....	56,098,333.33

(1) The C.N.P. has become part of the Canadian National Railways.

(2) The P.G.E. is now considered a direct liability.

(3), (4), (5) Sinking funds have been established.

(6) Amount authorized at March 31st.

Table 107 shows the fixed charges that have arisen in connection with the Provincial debt. This item has increased from \$688.48 in 1874 to \$8,568,565.94 in 1937. The peak was \$9,108,442.89 in 1932. Fixed charges include interest paid, debentures and treasury bills redeemed (unless paid out of sinking fund), payments into sinking fund, accrued interest and operating costs such as brokerage, etc. However, this figure does not include the total increased future liability, as certain debt items are not covered, and there is always the loss of interest income on the deferred payments into the sinking fund. Actually during the last few years the appropriations for sinking fund have not been as high as were required.

TABLE 107.

FIXED CHARGES PAID IN CONNECTION WITH THE PROVINCIAL
DEBT, 1883-1937.

(SHOWN AS AN ANNUAL TOTAL.)

Including all items as shown in the Public Accounts, and, specifically:—

- (a) Interest paid on funded indebtedness.
- (b) Payments into sinking fund (including accrued interest).
- (c) Debt redemption (except when paid from sinking fund).
- (d) Administrative costs (brokerage, exchange, commission, etc.).

Fiscal Year.		Fixed Charges.	Percentage of Revenue.	Percentage of Ex- penditure.
1874	1st Sept., 1873-30th Sept., 1874	\$688.48	.2	.1
1875	1st Oct., 1874-30th " 1875	563.79	.1	.1
1876	1st Oct., 1875-30th Sept., 1876	8,853.50	2.3	1.2
1877	1st " 1876-30th June, 1877	14,943.93	3.7	2.2
1878	1st July, 1877-30th Sept., 1878	57,494.06	13.3	11.2
1879	1st Oct., 1878-30th June, 1879	32,216.71	15.8	17.3
1880	1st July, 1879-30th " 1880	22,538.11	5.8	5.0
1881	1st July, 1880-30th June, 1881	62,963.83	15.8	16.5
1882	1st " 1881-30th " 1882	83,803.79	18.5	17.7
1883	1st " 1882-30th " 1883	71,294.98	16.7	12.0
1884	1st " 1883-30th " 1884	81,952.69	9.2	18.9
1885	1st " 1884-30th " 1885	65,848.95	10.9	10.1
1886	1st July, 1885-30th June, 1886	70,422.14	13.7	9.1
1887	1st " 1886-30th " 1887	77,033.54	14.3	10.6
1888	1st " 1887-30th " 1888	153,700.20	24.9	21.7
1889	1st " 1888-30th " 1889	132,674.15	18.6	15.3
1890	1st " 1889-30th " 1890	133,865.57	15.7	13.9
1891	1st July, 1890-30th June, 1891	129,742.47	13.5	12.5
1892	1st " 1891-30th " 1892	224,712.07	21.6	15.6
1893	1st " 1892-30th " 1893	173,910.05	17.0	11.7
1894	1st " 1893-30th " 1894	235,389.90	28.6	10.8
1895	1st " 1894-30th " 1895	321,058.53	35.8	16.3
1896	1st July, 1895-30th June, 1896	283,484.04	28.6	16.6
1897	1st " 1896-30th " 1897	280,491.82	20.2	16.9
1898	1st " 1897-30th " 1898	290,445.69	20.2	13.9
1899	1st " 1898-30th " 1899	319,090.31	20.8	14.2
1900	1st " 1899-30th " 1900	407,147.55	26.4	21.0
1901	1st July, 1900-30th June, 1901	380,501.53	23.6	15.8
1902	1st " 1901-30th " 1902	424,198.92	23.4	16.6
1903	1st " 1902-30th " 1903	654,914.03	32.1	18.4
1904	1st " 1903-30th " 1904	522,067.22	19.8	17.2
1905	1st " 1904-30th " 1905	676,184.42	23.2	26.2
1906	1st July, 1905-30th June, 1906	713,063.55	23.4	27.2
1907	1st " 1906-30th " 1907	712,213.17	16.1	22.6
1908	1st " 1907-30th " 1908	1,226,726.70	22.9	27.0

TABLE 107—*Continued.*
FIXED CHARGES PAID IN CONNECTION WITH THE PROVINCIAL
DEBT, 1883-1937—*Continued.*

Fiscal Year.		Fixed Charges.	Percentage of Revenue.	Percentage of Ex- penditure.
1909	1st " 1908-31st March, 1909.....	376,711.55	8.1	9.6
1910	1st April, 1909-31st " 1910.....	576,943.49	6.5	8.7
1911	1st April, 1910-31st March, 1911.....	538,992.82	5.1	6.4
1912	1st " 1911-31st " 1912.....	519,887.76	4.8	4.6
1913	1st " 1912-31st " 1913.....	553,929.16	4.4	3.5
1914	1st " 1913-31st " 1914.....	529,175.66	5.1	3.3
1915	1st " 1914-31st " 1915.....	925,389.48	11.6	7.7
1916	1st April, 1915-31st March, 1916.....	992,519.12	15.8	9.9
1917	1st " 1916-31st " 1917.....	1,287,119.46	18.6	13.5
1918	1st " 1917-31st " 1918.....	2,724,213.28(1)	30.8	29.2
1919	1st " 1918-31st " 1919.....	2,640,448.12	24.2	21.9
1920	1st " 1919-31st " 1920.....	2,044,445.62	14.8	15.2
1921	1st April, 1920-31st March, 1921.....	3,934,375.85	25.9	20.0
1922	1st " 1921-31st " 1922.....	4,763,491.77	25.2	23.1
1923	1st " 1922-31st " 1923.....	5,169,072.40	26.3	24.9
1924	1st " 1923-31st " 1924.....	5,458,570.95	27.9	25.4
1925	1st " 1924-31st " 1925.....	5,867,048.63	30.5	27.6
1926	1st April, 1925-31st March, 1926.....	6,173,130.21	27.4	27.4
1927	1st " 1926-31st " 1927.....	6,121,635.86	29.8	29.5
1928	1st " 1927-31st " 1928.....	6,441,909.31	30.6	29.4
1929	1st " 1928-31st " 1929.....	6,794,644.05	32.1	27.6
1930	1st " 1929-31st " 1930.....	7,345,885.48	35.7	25.1
1931	1st April, 1930-31st March, 1931.....	8,121,290.30	33.6	27.9
1932	1st " 1931-31st " 1932.....	9,108,442.89	41.1	31.4
1933	1st " 1932-31st " 1933.....	8,902,575.56(2)	48.2	42.4
1934	1st " 1933-31st " 1934.....	8,373,433.66(2)	41.5	40.8
1935	1st " 1934-31st " 1935.....	8,406,496.88(2)	37.1	39.1
1936	1st April, 1935-31st March, 1936.....	8,709,925.07(2)	33.6	37.4
1937	1st " 1936-31st " 1937.....	8,568,565.94(2)	30.4	33.8

(1) From 1918 on the Provincial Government has been paying the interest on the guaranteed stock and bonds of the P.G.E. Railroad.

(2) For statutory requirements see Table 108.

SOURCE: Figures after 1918 inclusive are taken from statistics of the Finance Department.

Figures before 1917 inclusive compiled by Economic Council from the British Columbia Public Accounts.

The amount of deferred payments is shown in Table 108, amounting to \$10,858,636.00. The fixed charges paid on the Provincial debt at March 31, 1937, amounted to \$8,568,565.94. The fixed charges required by statute and by Order-in-Council amounted to \$11,035,796.69. However, it is computed by the Treasury that the full amount needed at that date for adequate interest and debt redemption provision, the latter contemplating the funding of the short term debt on a twenty-five year basis at a 4 per cent. earning power, amounted to \$12,404,169.87. In spite of this, however, the relation between the sinking fund and the debt of the Provincial Government is better than that of any other Canadian Province. Table 107 shows for each year the percentage of revenue and expenditure represented by the fixed charges paid. The fixed charges have been expressed as a percentage of both revenue and expenditure because sometimes the gap between these two items is significant.⁴ In 1934,

(4) Thus in 1916-1917 the estimated revenue was \$5,944,015, and the estimated expenditures were \$11,301,374.86.

52.5 cents of every dollar of revenue would have been required to meet the fixed charges in connection with the Provincial Debt had these charges been met in full.

TABLE 108.

SINKING FUND DEFERRED PAYMENTS.

A COMPARISON OF THE FIXED CHARGES PAID AND THOSE REQUIRED BY STATUTE.

Fiscal Year (ending March 31).	Fixed Charges Required. (1)	Deferred Payments in Sinking Fund Provision.	Fixed Charges Paid.
1933 (March 31st) (2).....	\$10,343,227.56	\$1,440,652.00	\$8,902,575.56
1934 (March 31st).....	10,621,002.41	2,247,568.75	8,373,433.66
1935 (March 31st).....	10,749,693.63	2,343,196.75	8,406,496.88
1936 (March 31st).....	11,069,912.82	2,359,987.75	8,709,925.07
1937 (March 31st).....	11,035,796.69	2,467,230.75	8,568,565.94
Totals.....	\$53,819,633.11	\$10,858,636.00	\$42,960,977.11

(1) As required by statute and Order-in-Council.

(2) Prior to fiscal year 1932-33, sinking fund requirements were met in full.

SOURCE: British Columbia, Public Accounts.

Table 109 is an attempt to show for what purpose the money was borrowed. Any such classification as used in Table 109 must necessarily be arbitrary. The figures indicate the liability assumed at any given year for each of the purposes detailed. These figures, added together, indicate the gross debt in any selected year. They include temporary loans such as treasury bills. Actually a certain portion of the moneys in the sinking fund are ear-marked for redemption of the debentures issued so the figures showing the liability assumed for each different purpose are slightly higher than the net debt outstanding for such purposes. The figures in the Table are the gross debt outstanding at the time.

Prior to 1918 Loan Acts were vague and it was the custom to pay for capital improvements out of income and finance the deficit. It is thus very difficult to break the debt figures down. Thus, most of the debt appears as having been incurred for Consolidated Revenue. In 1917, 90 per cent. of the debt is attributed to Consolidated Revenue. Recently borrowed money has been ear-marked more specifically. An attempt seems to have been made to balance current revenue and expenditure and to consider capital improvements as something to be financed apart. This has made the task of breaking down later figures easier. A glance at Table 109 shows that not only has more money been borrowed, but it has been borrowed for a wider variety of purposes. This reflects the tendency of governments nowadays to undertake many services not thought of in the past.

TABLE 109.
PART A.—ANALYSIS OF PUBLIC DEBT (NOT INCLUDING UNFINANCED DEFICITS), 1878-1917.

Fiscal Year.	Consolidated Revenue.	Buildings.	Dyking Debentures.	New Westminster Bridge and Ferries.	British Columbia House, London.	Sub-total.	P. G. E. Railway Guarantee. (1)	Gross Total.
1878	\$818,000.00					\$818,000.00		\$818,000.00
1879	793,000.00					793,000.00		793,000.00
1880	773,000.00					773,000.00		773,000.00
1881	773,000.00					773,000.00		773,000.00
1882	773,000.00					773,000.00		773,000.00
1883	760,000.00					760,000.00		760,000.00
1884	747,500.00					747,500.00		747,500.00
1885	747,500.00					747,500.00		747,500.00
1886	747,500.00					747,500.00		747,500.00
1887	747,500.00					747,500.00		747,500.00
1888	1,743,690.00					1,743,690.00		1,743,690.00
1889	1,743,690.00					1,743,690.00		1,743,690.00
1890	1,743,690.00					1,743,690.00		1,743,690.00
1891	1,743,690.00					1,743,690.00		1,743,690.00
1892	2,713,690.00					2,713,690.00		2,713,690.00
1893	2,962,567.75					2,962,567.75		2,962,567.75
1894	2,973,813.75					3,573,813.75		3,573,813.75
1895	5,025,824.00	\$599,945.00				5,625,824.00		5,625,824.00
1896	4,985,517.60	599,945.00	\$94,823.40			5,630,286.00		5,630,286.00
1897	4,945,217.60	699,945.00	94,823.40			5,739,986.00		5,739,986.00
1898	5,040,041.00	699,945.00	471,000.00			6,210,986.00		6,210,986.00
1899	5,020,041.00	689,945.00	471,000.00			6,180,986.00		6,180,986.00
1900	6,689,041.00	679,945.00	671,000.00			8,039,986.00		8,039,986.00
1901	6,669,041.00	669,945.00	671,000.00			8,009,986.00		8,009,986.00
1902	6,679,041.00	659,945.00	671,000.00			8,009,986.00		8,009,986.00
1903	9,415,891.00	649,945.00	671,000.00	\$750,000.00		11,486,836.00		11,486,836.00
1904	10,165,891.00	639,945.00	671,000.00	1,000,000.00		12,476,836.00		12,476,836.00
1905	10,065,891.00	629,945.00	671,000.00	1,000,000.00		12,366,836.00		12,366,836.00
1906	9,965,891.00	619,945.00	671,000.00	1,000,000.00		12,256,836.00		12,256,836.00
1907	9,403,201.00	609,945.00	671,000.00	1,000,000.00		11,684,146.00		11,684,146.00
1908	8,727,201.00	599,945.00	671,000.00	1,000,000.00		10,998,146.00		10,998,146.00
1909	8,723,201.00	599,945.00	571,000.00	1,000,000.00		10,894,146.00		10,894,146.00
1910	8,719,201.00	599,945.00	500,000.00	1,000,000.00		10,819,146.00		10,819,146.00
1911	8,715,201.00	599,945.00	475,000.00	1,000,000.00		10,790,146.00		10,790,146.00
1912	8,711,201.00	599,945.00	475,000.00	1,000,000.00		10,786,146.00		10,786,146.00
1913	8,707,201.00	599,945.00	445,000.00	1,000,000.00		10,752,146.00		10,752,146.00
1914	10,206,701.00	599,945.00	445,000.00	1,000,000.00		12,251,646.00		12,251,646.00
1915	18,678,201.00	599,945.00	445,000.00	1,000,000.00		20,723,146.00		20,723,146.00
1916	19,108,201.00	599,945.00	445,000.00	1,000,000.00		21,173,146.00	\$20,160,000.00	41,313,146.00
1917	23,202,890.17	599,945.00	445,000.00	1,000,000.00	\$274,025.00	25,321,860.17	20,160,000.00	45,481,860.17

(1) The P. G. E. Ry. Guarantee is included in the gross debt since 1916.

TABLE 109—Continued.

PART B.—ANALYSIS OF PUBLIC DEBT (NOT INCLUDING UNFINANCED DEFICITS), 1918-1937.

Public Debt.	March 31, 1918.	March 31, 1919.	March 31, 1920.	March 31, 1921.	March 31, 1922.	March 31, 1923.	March 31, 1924.	March 31, 1925.	March 31, 1926.	March 31, 1927.	March 31, 1928.	March 31, 1929.	March 31, 1930.	March 31, 1931.	March 31, 1932.	March 31, 1933.	March 31, 1934.	March 31, 1935.	March 31, 1936.	March 31, 1937.
Consolidated Revenue	\$21,907,319.00	\$23,907,319.00	\$23,907,319.00	\$23,907,319.00	\$27,692,599.00	\$28,684,599.00	\$28,734,599.00	\$29,384,599.00	\$27,004,599.00	\$26,824,271.00	\$28,689,271.00	\$29,138,269.48	\$27,718,900.75	\$29,399,180.56	\$33,546,463.56	\$38,466,021.83	\$43,597,272.39	\$44,636,109.46	\$44,168,724.51	\$43,874,407.05
P.C.E. Ry. (Direct Obligations)	2,176,672.00	2,839,672.00	6,249,672.00	15,147,612.00	18,269,292.00	18,543,392.00	18,693,392.00	18,653,392.00	14,823,662.00	13,691,000.00	13,782,510.00	12,831,522.96	14,197,868.49	14,641,908.77	15,233,646.60	16,412,436.29	18,417,436.11	18,449,075.11	18,490,516.11	18,050,546.10
Highways and Bridges	—	—	760,000.00	2,109,000.00	4,003,111.27	5,499,888.37	7,478,818.37	8,762,338.00	11,367,199.00	12,677,745.00	17,319,334.00	21,384,001.18	27,769,419.32	34,362,316.69	40,409,116.15	46,440,677.31	49,269,899.44	50,813,979.94	50,894,742.13	50,894,742.13
B.C. University	—	—	100,000.00	100,000.00	306,000.00	306,000.00	306,000.00	306,000.00	2,997,329.00	4,725,060.00	5,065,075.00	5,446,192.29	5,897,077.72	6,743,291.15	6,964,384.64	7,062,091.64	7,062,091.64	7,062,091.64	7,062,091.64	7,062,091.64
Buildings	592,516.67	643,946.00	599,946.00	609,946.00	599,946.00	1,475,944.33	1,640,004.97	2,465,280.00	2,704,232.00	3,359,252.00	3,263,169.00	4,766,973.50	6,885,128.39	7,739,541.67	8,571,636.44	9,512,527.00	10,453,684.31	11,404,791.88	12,355,979.25	13,307,191.72
Land Settlement Board	—	—	1,810,000.00	2,759,000.00	3,925,000.00	4,750,000.00	6,470,729.46	6,126,602.00	6,706,402.00	6,814,214.00	6,835,018.00	6,774,320.91	6,745,710.27	6,745,710.27	6,745,710.27	6,745,710.27	6,745,710.27	6,745,710.27	6,745,710.27	6,745,710.27
"Soldiers' Land Act"	—	—	200,000.00	724,000.00	2,735,000.00	2,618,976.98	3,042,942.15	3,108,704.00	3,179,561.00	3,242,373.00	3,410,423.21	3,408,107.14	3,408,107.14	3,408,107.14	3,408,107.14	3,408,107.14	3,408,107.14	3,408,107.14	3,408,107.14	3,408,107.14
Conservation	—	—	170,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00	1,195,000.00
Industries	—	—	67,000.00	915,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00	1,023,000.00
Streets and Parks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Green Property Development	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ed. Falls Park	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dyking Debit on	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00	445,000.00
Better Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Forest Protection	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
New Westminster Bridge and Ferries	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00	1,800,000.00
Dowdley Dyking Relief	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
District of South Vancouver	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
B.C. House, London	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00	264,326.00
Unemployment Relief	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fraser River New Westminster Bridge	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unallocated—for Public Works—"ON"	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
P.C.E. Ry. Guarantee	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00	\$26,866,861.00
Gross Debt	\$47,946,561.00	\$50,796,561.00	\$57,146,561.00	\$74,441,241.00	\$57,939,961.00	\$88,330,261.00	\$98,404,621.00	\$99,556,249.00	\$86,946,961.00	\$86,068,957.00	\$102,781,361.00	\$107,953,439.00	\$119,367,855.00	\$118,639,161.00	\$124,464,751.59	\$136,612,760.70	\$141,866,767.21	\$141,866,767.21	\$141,866,767.21	\$141,866,767.21

SOURCE: British Columbia, Department of Finance, Treasury Branch; Department of Labour, Economic Council.

It should be remembered that the type of services a government extends, and thus the type of purpose for which it borrows, are not comparable to the similar activities of a private business. Private business tends to limit its activities to performing such services as can command a financial payment on the part of the beneficiary in return. The services of a government are not so tangible, the real beneficiary is not always known, and the service is not always of a type that can command a definite financial payment on the part of the person or classes benefited. Thus roads are a benefit to the community, but the extent of this benefit cannot be very well measured in dollars and cents, nor is it practical to require the beneficiaries to pay for the use of the roads directly. Such services as the Administration of Justice or the maintenance of civil law and order are even more intangible. It is impossible to say what these services are worth.

If governments were required to limit their activities to those services that are financially self-supporting the public would soon come to realize how necessary it is that the community as a whole, through its government, should provide many services of the type that private business cannot and will not provide.

The gross debt to-day is \$183,022,247.20 (*see* Table 105, 1937). Of this officially \$47,390,751.40 represents accumulated deficits (*see* Table 95, 1937). Actually, depending upon what is considered to be properly current revenue and expenditure, our accumulated deficits today are probably higher.

Table 95 shows the manner in which these deficits have accumulated. The deficit or surplus is shown for each year and the accumulated deficit or surplus is also given: this Table covers the period from 1871 to 1937. Since the first year (1871) there has never been an accumulated surplus. In the 67 years between 1871 and 1937 there have been only 18 surpluses and at least two of these are subject to qualification.

By April 1, 1912, the accumulated deficits, after seven years of successive surpluses, had been brought down to \$2,178,350.22. Since then we have added deficits totalling \$45,212,401.18, and the total accumulated deficit as of March 31, 1937, was \$47,390,751.40. In 1934 the accumulated deficit totalled \$53,863,124.95.

During the past three years there has been a surplus of revenue over expenditure on current account amounting to \$6,472,373.55. In considering this it must be kept in mind that certain sinking fund payments have been deferred, and the cost of unemployment relief has been charged to capital account. This, at March 31, 1937, amounted to \$28,483,429.73 (*see* Table 109). A part of this expenditure of unemployment relief was used in creating capital improvements, but the greater part was for purely temporary services and is in the nature of a current cost.

Accumulated deficits constitute a considerable portion of the total debt of the Province: how large a portion depending upon what one considers the correct accumulated deficit figure to be. Approximately two-fifths of the gross debt is attributable to the custom of not balancing the budget. It is, therefore, important to know how and why these deficits arose.

Almost all of the present total deficit has been accumulated since 1910-11. In that year the accumulated deficit was only \$2,178,350.22 (*see* Table 95). To-day it is officially \$47,390,751.40.

These deficits are not the result of poor estimates on the part of the Treasury but were actually budgeted. Table 110 shows the estimated and actual revenue and expenditures from 1911-12 to 1936-37. During this period the actual receipts were \$16,093,656.23 in excess of the estimated receipts and the actual expenditures were \$12,263,161.60 in excess of the estimated expenditures. Thus, over the total period of 26 years the Treasury was left with \$3,830,494.63 more than it had estimated. The inevitable deduction must therefore be that over this period the various Governments budgeted for a deficit actually greater by this amount than was experienced. The official accumulated deficit of 1911-1937 is \$45,212,401.18; had the estimates of the Treasury been correct this deficit would have been larger—actually it would have been \$49,042,895.81. This is the deficit that the governments of previous years have definitely budgeted for since 1911. A comparison of the estimated revenues and expenditures (as given in Table 110) will bear this out.

Thus the official deficit figures show that we have been, since 1911, deliberately spending on current services approximately, on an average, two million dollars more each year than we have taken in. If all deferred payments for current services are included, since 1911 we have been going into the red at the rate of three million dollars each year. This is one of the most striking aspects of our debt problem.

With regard to the financial policy of the Provincial Government the figures would indicate deliberateness in budgeting for deficits; for example, the year 1916-1917 shows an estimated revenue of \$5,944,015.13 and an estimated expenditure of \$11,301,374.86. It would appear that it was a recognized policy to finance capital out of income, and later issue loans to cover the deficits. Such a policy is understandable in a rapidly developing Province where it was difficult to estimate, over any considerable period of time, just what demands might be made on the government for capital expenditure. To have limited expenditure in this way might have hindered the development of the Province in a vital sense, and it was considered that it was good business to assist expansion.

These deficits, therefore must be considered in the light of the conditions in the Province at the time and of the prevailing optimism with regard to the future.

THE PROBLEM OF MUNICIPALITIES.

The problem of local government in the Province of British Columbia is in many ways peculiar mainly because of conditions of geography, topography, and population distribution. A certain density of population is required if adequate local services are to be supplied at a reasonable cost. It is for this reason that certain limitations are placed on the organization of local governmental areas. However, in British Columbia the requirements incidental to incorporation of local government areas have become less strict over the last 40 years, and wide powers and responsibilities are given to local governments. The necessity for local government is based on the demand in communities for local services which the Provincial Government could not possibly extend to all residents of the Province. Successive Provincial Governments, conscious of the inability to extend such services, and faced with the steadily increasing demand for them, have made it progressively easier for unorganized areas to become incorporated. Many of the troubles of the municipalities may undoubtedly be attributed to the demand for local services beyond that which the

TABLE 110.

A COMPARISON OF THE ESTIMATED AND ACTUAL REVENUE AND EXPENDITURE, 1912-1937.

REVENUE.				EXPENDITURE.			
Fiscal Year (ending March 31).	Estimated Revenue.	Actual Revenue.	Difference.	Fiscal Year (ending March 31).	Estimated Expenditure.	Actual Expenditure.	Difference.
1912	\$8,192,101.06	\$10,745,708.82	\$2,553,607.76	1912	\$11,035,389.75	\$11,368,767.04	— \$333,377.29
1913	10,387,830.66	12,510,215.08	2,113,384.42	1913	16,270,001.09	15,626,805.96	643,195.13
1914	10,226,055.06	10,479,258.74	153,173.68	1914	17,838,266.01	15,955,123.55	1,883,142.46
1915	10,048,915.13	7,974,496.46	— 2,074,418.67	1915	13,742,009.60	12,153,109.65	1,588,899.95
1916	7,034,615.13	6,291,693.60	— 742,921.53	1916	11,163,056.11	10,083,504.47	1,079,551.64
1917	5,944,015.13	6,906,783.63	967,688.50	1917	11,301,374.86	9,531,740.35	1,769,634.51
1918	9,868,325.13	8,882,846.02	— 985,479.11	1918	10,800,804.67	9,849,350.76	951,453.91
1919	9,900,055.13	10,931,279.21	1,031,224.08	1919	11,611,694.08	12,112,285.89	— 500,591.81
1920	10,209,960.13	13,861,602.75	3,651,642.62	1920	13,314,883.01	13,510,271.79	— 195,388.78
1921	13,978,245.13	15,219,264.32	1,241,019.19	1921	17,413,833.30	19,626,680.95	— 2,212,847.65
1922	17,010,595.13	18,882,391.11	1,871,795.98	1922	19,934,724.29	20,673,183.96	— 738,459.67
1923	19,045,815.00	19,618,904.02	573,089.02	1923	21,129,057.82	20,799,467.34	329,590.48
1924	18,769,596.00	19,637,710.81	868,114.81	1924	20,097,300.45	21,476,272.38	— 1,378,971.93
1925	18,359,246.00	19,381,511.16	1,022,265.16	1925	19,286,413.44	21,227,916.26	— 1,941,502.82
1926	18,340,000.66	21,775,869.15	3,435,868.49	1926	18,193,697.94	21,675,075.83	— 3,481,377.89
1927	18,559,346.66	20,523,080.50	1,963,733.84	1927	18,247,052.03	20,788,095.46	— 2,541,043.43
1928	19,757,296.66	21,136,348.98	1,379,044.32	1928	19,502,806.82	21,859,577.85	— 2,356,771.03
1929	20,830,296.66	21,181,488.96	351,192.30	1929	20,821,360.90	24,596,393.40	— 3,775,032.50
1930	25,287,851.66	26,083,727.08	795,875.42	1930	25,280,726.51	26,219,156.02	— 938,426.51
1931	28,115,546.66	24,280,703.42	— 3,834,843.24	1931	28,072,715.03	29,099,964.43	— 1,027,249.40
1932	28,088,696.66	22,162,657.29	— 5,926,039.37	1932	28,080,030.76	29,214,217.87	— 1,134,187.11
1933	24,843,766.46	20,389,951.85	— 4,453,814.61	1933	24,693,671.60	23,226,329.65	1,467,341.95
1934	20,497,591.46	20,208,859.75	— 288,731.71	1934	22,729,593.77	20,582,836.58	2,146,757.19
1935	19,492,791.46	22,761,719.46	3,268,928.00	1935	21,609,637.40	21,597,543.90	12,093.50
1936	22,493,891.46	25,862,077.32	3,368,185.86	1936	23,384,303.28	23,242,901.90	— 1,220,995.88
1937	24,312,541.46	28,102,612.48	3,790,071.02	1937	24,192,594.03	25,413,589.91	— 1,220,995.88

Revenue.—Total difference, \$16,093,656.23, excess of actual over estimated revenue.

Expenditure.—Total difference, \$12,263,161.60, excess of actual over estimated expenditure.

NOTE.—In case of Revenue a minus sign indicates lower actual than estimated receipts; in case of Expenditures a minus sign indicates larger actual than estimated disbursements.

community is really able to afford. Only a comparatively small part of the Province of British Columbia is organized in local government areas, amounting to less than a half of one per cent. of the total area of the Province. This situation is in direct contrast with that even of the Prairie Provinces, where a much larger proportion of the total Provincial area is locally incorporated; in Saskatchewan, for example, over 40 per cent. of the Province is organized. The Government of British Columbia has full responsibility for taking care of 24 per cent. of the population scattered over 99½ per cent. of the total area of the Province.⁵ This constitutes a special problem for the Government of this Province.

In order to give a clear picture of the problem of local government in British Columbia, information is given with respect to:

The extent of corporations and the conditions governing incorporations.

The services which the municipalities are required to provide.

The services which the municipalities may provide.

The cost of providing mandatory and voluntary services.

The limitations on the activities of local governments, particularly in the matter of increasing debt.

The sources of revenue available to municipalities in order to enable them to carry out their functions.

The Department of Municipal Affairs.

The municipal tax structure and a consideration of the equity of its incidence.

The City of Vancouver.

THE EXTENT OF INCORPORATIONS, AND THE CONDITIONS GOVERNING INCORPORATIONS.

The first municipal corporation in British Columbia was the City of New Westminster, incorporated in 1860, followed by Victoria in 1862. In 1865 "An Ordinance for the Formation and Regulation of Municipalities in British Columbia" was passed,⁶ but no municipalities were organized under this Ordinance, although it laid down the broad lines of later municipal organization.

This Ordinance was repealed in 1872,⁷ and an Act respecting municipalities was passed which stated in detail the manner in which municipalities should be incorporated and the powers they were to possess. No borrowing powers were granted, and no mandatory responsibilities were placed on the municipalities. Power was given to raise revenue by taxation on persons and property and through the granting of licences.

In 1873 New Westminster and Victoria were brought under the provisions of this general Act,⁸ and in the same year Chilliwack, Langley, and North Cowichan were incorporated, followed in 1874 by Nanaimo and Maple Ridge.⁹ In 1886 Vancouver was incorporated under a special Act,¹⁰ and has never come under the provision of municipal acts. In 1881 there was passed an Act

(5) Budget Speech of 1922 by the Honourable John Hart, page 18.

(6) British Columbia, Revised Statutes, 1871, 28 Vict., No. 57.

(7) British Columbia, Statutes, 1872, 35 Vict., No. 35.

(8) British Columbia Gazette, No. 5, pages 1 and 2 respectively.

(9) British Columbia, Department of Municipal Affairs.

(10) British Columbia, Statutes, 1886, Chapter 32.

amending and consolidating the Municipal Acts, better known as the "Municipality Act" of 1881.¹¹ In 1896 the "Municipalities Incorporation Act" was passed.¹² Its important provisions have remained almost unaltered to the present day. Provision was made for two classes of municipalities: the city or town municipality, and the township or district municipality. The former requires a greater density of population in order to be incorporated, and the municipal council is composed of aldermen and a mayor instead of councillors and a reeve.

Under the Act the Lieutenant-Governor in Council was given the power to create a City or Town municipality when:¹³

- (a) The property owners of more than one-half of the total value of the land to be included in the proposed municipality petitioned him to do so;
- (b) At least one hundred British male subjects of twenty-one years or over were resident within the proposed municipality six months before the date of the petition;
- (c) The total area of the proposed municipality did not exceed two thousand acres.

Several provisions referred to the name and boundaries of the municipalities and their methods of carrying out elections, etc.

A Township or District municipality might be created by letters patent issued by the Lieutenant-Governor in Council when:¹⁴

- (a) The property owners of more than one-half of the total value of the land included in the proposed municipality petitioned him to do so;
- (b) At least thirty British male subjects of twenty-one years of age or over were resident in the proposed municipality at least six months or more prior to the petition;
- (c) Land that had been divided up into city lots and had been or was held by twenty or more different owners was not proposed to be included unless all the requirements necessary for the creation of a city municipality, other than the two thousand acre limitation, had been met.

It will be noticed that there was no direct area limitation on the District municipality. Unlike the city municipality, which had to have a population of one hundred adult British males to the two thousand acres, the district municipality could be any area in which there were thirty adult British males.

In spite of the relatively simple requirements necessary for the incorporation of district municipalities, the extension of local government in the Province was slow. The Provincial Government continued its attempt to render services to a large number of persons living in what remained unorganized territory. This proportion consisted of small groups somewhat widely scattered. These groups had grown up around isolated lumber areas, canning stations, fishing ports, and lumber mills. These small groups, failing to become incorporated, continued to be a direct burden on the Provincial Treasury while the Government attempted to render elementary and humane services which normally would have been carried out by a municipal government, had such existed.

In 1920 there was passed "An Act to provide for the Incorporation of Village Municipalities."¹⁵ The original statute is brief and gives the Lieutenant-Governor in Council the authority to issue letters patent, upon the receipt of a petition on the part of the inhabitants of the area proposed to be incorporated,

(11) *Op. cit.*, 1881, 44 Vict., Chapter 18.

(12) *Ibid.*, 1896, Chapter 39.

(13) *Ibid.*, 1896, Chapter 39, Section 2.

(14) *Ibid.*, Section 3.

(15) *Ibid.*, 1920, Chapter 65.

incorporating the inhabitants of an area in which the number of residents does not exceed one thousand as a Village municipality, which shall have the rights, powers and privileges as set out in the letters patent, the provisions of the Municipal Act not applying unless so stated. The petition for incorporation is required to set forth the number of residents within the area, the boundaries of the area, and shall be sufficiently signed and verified to satisfy the Lieutenant-Governor in Council that a majority of the adult residents within the area desire the incorporation of the area as a Village municipality.

This Statute has been amended several times. Two years later the Act was amended to include a schedule, setting forth the manner in which these village municipalities were to be governed together with their powers, privileges, and responsibilities.¹⁶ This schedule is the constitution of the Village municipalities. It confers many of the usual powers granted to larger municipalities, but restricts the taxation powers of the villages, prohibits the creation of long-run debts, and does not impose certain customary duties.

In 1925 Section 2 of the "Village Municipalities Act" was amended by striking out the maximum population limit of one thousand residents.¹⁷ Two years later the requirements governing the presentation of the petition for the incorporation of Village municipalities were lowered, as the following shows:¹⁸

"3a. (1.) Whether or not a petition for incorporation has been presented under this Act, a petition may be presented to the Lieutenant-Governor in Council praying that a poll be taken in any area proposed to be incorporated under this Act."

The growth of Village municipalities can be seen from the following table:

Year.	No. of Villages Incorporated.	Total Population.
1923	4	2,313
1924	5	2,742
1925	6	3,525
1926	6	3,525
1927	8	4,289
1928	12	5,595
1929	14	6,435
1930	14	6,435
1931	17	7,621
1932	17	7,621
1933	17	7,621
1934	17	7,657
1935	18	8,012
1936	19	8,392

This shows that in 1936 there were 19 villages incorporated with a total population of over 8,300. As this is a comparatively small proportion of the total Provincial population, this legislation can hardly have been said to have given any great encouragement to local government organization. It would appear that the special responsibility of the Provincial Government for the provision of local services over a wide area is likely to continue for a long time to come and may be said to be a permanent feature of the Provincial organization.

(16) *Op. cit.*, 1922, Chapter 52, Section 6.

(17) *Ibid.*, 1925, Chapter 38, Section 2.

(18) *Ibid.*, 1926-27, Chapter 47, Section 46.

SERVICES WHICH THE MUNICIPALITIES ARE REQUIRED TO PROVIDE.

Certain compulsory duties are imposed by Provincial Statute upon the municipalities.¹⁹ These must not be confused with voluntary services rendered, based on powers granted by Statute to the municipalities. Duties are imposed on the municipalities by the following Statutes:

- "Municipal Act"
- "Public Schools Act"
- "Juvenile Courts Act"
- "Tuberculosis Institutions Act"
- "Provincial Home for the Aged Act"
- "Mothers' Pensions Act"
- "Hospital Act"
- "Infants Act"
- "Health Act"
- "Liquor-control Act"
- "Municipalities Incorporation (Villages) Act"
- "Public Institutions Indemnification (Municipalities) Act"²⁰

This list indicates the increasing complexity of social services demanded by the public. In the earlier stages of municipal organization the compulsory responsibilities were comparatively simple. In order that there may be some degree of uniformity in services rendered by municipalities, legislation has been necessary. This is particularly so in the case of certain welfare, health, and educational activities. Many of these services are administered by the municipalities under the supervision of Provincial Boards whose duty it is to see that the municipalities conform to certain standards as established by law. In some cases the complete cost of these services is borne by the municipalities; in others the cost is shared between the municipalities and the Provincial Government in varying proportions, while in other cases the complete cost is borne by the Provincial Government. One of the earliest duties imposed on municipalities was "to make suitable provision for its poor and destitute."²¹ This duty, which imposed a comparatively small burden in the earlier years, has become increasingly important. The care of the aged and infirm, the sick and the insane, mothers' pensions and unemployment relief, might technically be included in this duty. However, the tremendous increase in the burden of granting this assistance has made necessary certain adjustments which have constituted a major problem in Provincial and Municipal finance. For example: although the municipalities would appear to be legally liable for the maintenance of the unemployed and their families, the Province has found it necessary to bear a major portion of this cost. In regard to certain other forms of destitution the Provincial Government holds that municipalities are liable, under the "Municipal Act," and while the Province has provided uniform legislation covering certain specific forms of destitution and administers these Statutes itself, the cost is either wholly or in part charged back to the municipalities. The reason for this is that it is held that if this Provincial legislation was not in effect, the burden would fall directly upon the municipalities in any

(19) For detailed statement regarding municipal responsibility for education *see* Part IV., "Social Functions of Government—Education."

(20) Repealed, 1936, effective April 1, 1937.

(21) British Columbia, Statutes, 1896, Chapter 37, Section 66.

event. For example: between 1933 and 1937, in the case of certain municipalities, contributions had to be made to the Minister of Finance under the "Mothers' Pensions Act."²² The "Infants Act"²³ also provides for municipal contributions limited in extent to the support of destitute children. Provision is also made for municipal support of the aged destitute who have been permanent residents of the municipality and who have been admitted to the Provincial Home for the Aged.²⁴ Municipalities are also responsible for certain phases of the administration of law and the keeping of order.

The "Municipal Clauses Act" of 1896 made mandatory the exercise of certain police powers by the municipalities. The "Municipal Act" of 1906 stated these duties more specifically. This provision has remained in force from that date, the law stating as follows:

"(1.) It is hereby declared to be the duty of all municipalities to bear the expense of policing the municipality and enforcing not only the municipal by-laws but also the criminal law and the general laws of the Province; and of generally maintaining within the limits of the municipality law and order; and of administering justice therein, including the prosecution of offenders triable summarily, and also of offenders triable upon indictment up to committal for trial and delivery of the accused to the common gaol of the county.

"(2.) In order to carry out such duty each City municipality shall provide a lock-up, and District municipalities shall either singly provide a lock-up or two or more may unite to build and maintain a common lock-up . . .

"(3.) Each municipality shall pay at such rate as may be fixed from time to time by the Lieutenant-Governor in Council for the maintenance of each prisoner confined in a Provincial Gaol who has been summarily convicted within the municipality . . . of an offence committed within the municipality."²⁵

In return, fines collected may be retained by City and District municipalities. This does not apply to village municipalities.

"The Juvenile Courts Act" enacted by the Dominion of Canada requires the establishment of juvenile courts in certain classes of municipalities. The expenses incurred by this Act are placed by Provincial statute on the municipalities, as follows:

"(1.) The Council of every municipality in which a Juvenile Court is established shall provide a suitable Court-room and offices for the Judge, Clerk, and Probation officers of the court.

"(2.) The Lieutenant-Governor in Council may fix the salaries to be paid the Judges, Clerk and Probation officers of the Juvenile Courts, and all the salaries and other expenses in connection with the administration of this Act in any municipality in which a Juvenile Court is established."²⁶

And further that:

"(3.) The Municipal Council of the municipality within which the offence with which the child is charged was committed shall be liable for all expenses of maintaining the child in any detention home.

"(4.) The Municipal Council of every municipality in which a Juvenile Court is established . . . shall provide a detention home satisfactory to the Attorney-General."²⁷

Legislation with regard to health also imposes duties on the municipalities. Earlier legislation was somewhat general in character, but by 1911 had become more detailed, and in 1915 the "Health Act" was further amplified and has

(22) British Columbia, Revised Statutes, 1936, Chapter 194.

(23) *Ibid.*, Chapter 128, Section 82.

(24) British Columbia, Statutes, 1935, Chapter 66, Section 5.

(25) *Ibid.*, 1906, Chapter 32, Section 235.

(26) British Columbia, Revised Statutes, 1936, Chapter 60, Section 11.

(27) *Ibid.*, Section 10.

remained the basis of health legislation since that time. It is provided that there must be a medical health officer for every City municipality, and this officer must be paid by the municipality to which he is attached at a rate to be determined by the municipality but which must also be approved by the Provincial Board of Health.²⁸

In other municipalities a municipal health officer must be appointed if the Council is so directed by the Board. The appointment, salary, and discharge of such an officer is subject to the Board's approval.²⁹ The expenses of a municipal health officer are borne by the municipality in question. In the event of an epidemic a municipality is required to establish a hospital or hospital tent, and to do everything in its power to prevent the spread of the disease or illness, at its own expense.³⁰ The carrying out of regulations with regard to water and sewerage is also the responsibility of the municipality. Under the Act, Municipal Councils are constituted as local Boards of Health,³¹ and are responsible for carrying out regulations made by the Provincial Board of Health.

The greatest single item of expense borne by the municipalities, with the exception of payments made on account of funded debts, is the cost of education.

SERVICES THE MUNICIPALITIES MAY PROVIDE.

With regard to services that may be rendered by municipal government but which are not compulsory, it is within the power of the Province to permit municipalities to perform any act or service that the Province itself has the power to perform. Such authority may be revoked at any time. The municipalities are the local agents of the Provincial Government, but because their personnel is different and because they control to a certain extent their own revenue and expenditure, they and the persons who elect their executive officers tend to think of them as something apart from the Provincial Government.

For all practical purposes a complete list of all the powers that a Municipal Council may voluntarily exercise at any given time is to be found in the current "Municipal Act" or, in the case of Village municipalities, in the current "Village Municipalities Act" as drawn up in the attached schedule therein.

Such powers are too numerous to specify individually here. The 1911 Revised Statutes of British Columbia, Section 33, enumerated over two hundred specific grants of power. The "Municipal Act" currently in force provides for the voluntary exercise, in section 59 alone, of over 226 different activities.³² The schedule incorporated in the "Village Municipalities Act," as given in the 1936 Revised Statutes of British Columbia, specifically confers power to the councils in regard to ninety-nine different matters.

Appendices are attached outlining the specific nature of these powers.

The general nature of these powers may be described here, however, so that the sphere of municipal government can be better understood. It should be remembered at all times that none of these powers are necessarily exclusive.

Certain services have traditionally become part of local government. They comprise such things as street lighting, garbage collection, sewage disposal,

(28) *Op. cit.*, 1911, Chapter 32, Section 30.

(29) *Ibid.*, Section 31.

(30) *Ibid.*, Section 104.

(31) *Ibid.*, 1936, Chapter 114, Section 40.

(32) *Ibid.*, Chapter 199.

drainage, protection from fire, the maintenance of a local police force, the abatement of nuisances, and many other acts calculated to protect the life, safety, health, property, and morals of the local residents.

Other grants of power are conferred because they are essential to the continued existence of any government. Included in such powers is the authority to enforce municipal ordinances, to collect taxes, to make expenditures, to acquire, hold and sell real estate, to construct buildings, to employ labour, and so forth.

In addition a host of other powers are granted. Mention of the power to contract debts (in the case of City and District municipalities) has already been made. The following are some of the additional powers possessed by municipalities in 1897:

To aid manufacturers;

To aid railways and to aid in the construction of canals, ditches, and dykes;

To subsidize steamship lines serving the municipality;

To establish ferries;

To provide education;

To build streets and sidewalks;

To extend bonuses to railroads.³³

In regard to these, and one hundred and sixty-odd additional matters, Municipal Councils were given authority to make, alter, or repeal by-laws in regard to any of the purposes mentioned in the section or in relation to matters coming within the classes of subjects so stated.

There has been no great increase in the authority invested in the Municipal Councils during the last forty years. It is true that a greater number of specific powers are enumerated in the more recent Statutes, but this is occasioned by the greater detail of present Statutes rather than to any expansion of power. It is also true that municipalities today possess certain powers which they did not possess at the end of the last century. But these new powers are the result of changes in our civilization; the introduction and present widespread popularity of the automobile have resulted in power being given the municipalities to control motor vehicle traffic, purchase and erect automatic signals, regulate parking and many other acts calculated to protect the public safety. Such new powers, while they do add to the authority of local Councils, do not constitute a new class of powers. The exercise of such powers, however, does constitute an additional cost.

The powers delegated to the municipalities, as of 1936, are listed as Appendices "B" and "C." Although these powers have not been greatly expanded during the last forty years the number of different acts and services performed by the municipalities has considerably increased. The exercise of these powers is voluntary; the municipalities have long been empowered to do many things, but do not exercise their powers to the full extent.

As the population of many older municipalities has steadily increased, and as rising standards of living have come to be accepted, the complexities of community life have increased. An increase in population density increases the difficulties of sewage disposal, traffic regulation, maintenance of health, and the preservation of order. Many private acts which could be tolerated

(33) British Columbia, Statutes, 1896, Chapter 37, Section 50.

in a sparsely-populated community cannot be allowed in a densely-populated residential section. The local government must regulate the individuals in the community and such regulation costs money. Higher standards of living have resulted in voters insisting on better street lighting, sidewalks, public parks, boulevards, and many other costly services. Because of these developments the Municipal Councils have come to avail themselves more and more of the powers that have long been theirs by virtue of the "Municipal Act" and other Statutes, but which previously they had left unused.

A study of the powers granted to municipalities by the Provincial Government would indicate that the thought has been to make these powers as wide as possible consistent with some degree of responsibility. The exercise of these non-mandatory powers depends entirely on the will of the citizens of the municipality concerned.

THE COST OF PROVIDING MANDATORY AND VOLUNTARY SERVICES.

The many services provided by municipal government play an important part in the lives of the citizens living within incorporated areas. The cost of providing these services is a serious burden upon the taxpayer and the difficulty of finding the revenue necessary is a serious problem for the Municipal Councils.

The services provided by the municipalities fall into two principal classifications, those services which the municipality has to provide by virtue of Provincial Statute and those services that the municipality elects to provide. For a better understanding of the municipal problem it is necessary that the relative responsibility of the mandatory and voluntary services for the total municipal expenditures be known. If the total cost of providing the mandatory services can approximately be ascertained it is obvious that the difference of this from the total municipal expenditures, after allowing for general administration expenses, must represent the cost of providing the voluntary services.

While there is a practical difficulty incidental to such a segregation certain broad generalizations can be safely made. The year 1935 has been chosen for such a segregation because, in addition to the information given in the Annual Report of the Department of Municipal Affairs, there is available the data obtained by the Treasury Branch in reply to a questionnaire sent out in 1936.

In 1935 (according to the Annual Report of the Department of Municipal Affairs) the municipalities of this Province expended \$28,441,875.

Education, including interest and sinking fund provisions, cost \$6,486,037. Administration of justice cost \$1,366,262. Public health, which includes statutory payments to hospitals, amounted to \$420,294. Relief cost \$1,999,121 and payments to Tranquille amounted to \$87,149.³⁴ Thus the total mandatory expense can be considered to be approximately \$10,358,863. This is a conservative estimate as a number of grants made by the municipalities to charitable organizations, largely necessitated by their being held responsible for the resident destitute poor and indigent, are not included.

Much of the municipal expenditures are in the nature of overhead costs inseparable from the general expense of providing municipal government. Debt (exclusive of debentures sold either for school or public utility purposes) costs the municipalities \$5,507,064. Council indemnities amounted to \$94,741 while salaries and other administration expenses were \$1,005,810. "Other

(34) British Columbia, Department of Finance, Treasury Branch, October, 1936, "Financial Statistics—British Columbia Municipalities," Table 7B.

Expenditures " amounted to \$1,597,505. Thus there is a total expenditure of \$8,205,120 which cannot be classified as being caused by either mandatory or voluntary services.

The balance, representing the cost of the voluntary services, amounted to \$9,877,892. Roads, streets and sewers cost \$1,997,267. Street lighting cost \$434,337: parks and cemeteries \$290,552: fire protection \$1,069,896: donations and grants \$799,466: social services \$1,927,504: and public utilities \$3,358,870. It might be argued that much of the social service cost, even after deducting relief, was mandatory because of the municipal responsibility for the destitute poor and indigent.

On the basis of these figures the following segregation of expenditures has been made:

Municipal Expenditures, 1935.	Expenditure.	Percentage of Total.
Mandatory ³⁵	\$10,358,863	36.4
Voluntary.....	9,877,892	34.7
Overhead ³⁶	8,205,120	28.9
Total.....	\$28,441,875	100.0

The greater part of the "Overhead" item is in all probability for voluntary services. Most of the debt was incurred for streets, roads, public works, etc., most of which were voluntary works. Most of the general administrative expenses are probably for routine municipal works and services. Thus it is probable that altogether approximately 40 per cent. of the municipal expenditures are necessitated by the services the municipalities are required by the Provincial Government to provide.

Table 125 shows in detail the expenditures of the municipalities from 1917 to 1935 inclusive.

LIMITATIONS ON THE ACTIVITIES OF LOCAL GOVERNMENTS, PARTICULARLY IN THE MATTER OF INCREASING DEBT.

The "Municipal Act" of 1896 and the "Municipalities Incorporation Act" of 1896 together established, with subsequent amendments, municipal government as we know it today in this Province. No Municipal Council, except as otherwise provided, was allowed to increase any liability beyond the revenue of the current year. Provision was made that money by-laws should have the assent of the voters.

A new departure at that time was the provision that before Municipal Councils passed a by-law for the raising of money on the credit of the municipality, the Municipal Councils had to be so petitioned. No such by-law for raising money for other than ordinary purposes (and not payable within the same year) might be introduced unless the council was petitioned to do so by

(35) During 1935 the "Provincial Institutions Maintenance (Municipalities) Act" was in force which required municipalities to make payments on account of municipal residents in the Boys' or Girls' Industrial School, in a Provincial Mental Hospital or receiving a Mothers' Pensions Allowance. This Act has since been repealed. Hence the additional mandatory burden then resulting from that Act, has not been considered, on the grounds that it constituted a purely temporary situation.

(36) This item includes the general administrative costs of municipal government all of which is incapable of classification as either mandatory or voluntary.

the owners of at least one-half of the value of the land (in the case of District municipalities) or by the owners of one-tenth of the assessed real property (in the case of City municipalities). However, when the latter desired to raise money for streets, sidewalks, or sewer connections, the above petition was not required.³⁷

Under certain conditions provision was made for the contracting of debts to be paid out of revenue other than that of the current year. Restrictions were as follows:

- (a) The aggregate of all debts (with the exception of debts created for works of local improvement) might not exceed 20% of the total assessed value of land and improvements within the municipality.
- (b) All the debts and obligations issued were to be payable within 50 years from date of issuance.
- (c) A certain fixed sum to pay off this obligation had to be raised annually by a by-law establishing a rate sufficient for the purpose. In calculating how great this sum would have to be the interest earned on the money invested from the Sinking Fund was not to be credited as being over four per cent.

Section 75 provided that money by-laws should be assented to by the voters.³⁸

"Every by-law (except for works payable by local assessment) for raising, upon the credit of the municipality, any money not required for ordinary expenditure, and not payable within the same municipal year . . . shall . . . receive the assent of the electors of the municipality . . ."

Those eligible to vote were owners of land or real property in the municipality. In District municipalities one-half of the voters had to assent to the by-law;³⁹ in City municipalities three-fifths of the voters had to be agreeable.⁴⁰ Sections 75, 78, and 79 did not apply to by-laws relating to works payable by local assessment.⁴¹

The Act provided for three distinct types of loans. One, the loan for general purposes and paid back with interest by the taxpayers of the municipality as a whole. Two, the loan contracted for draining and dyking; this is also borrowed upon the credit of the municipality, but paid back with interest by the land-owners benefited. Three, the loan borrowed for local improvements, secured by the rates charged therefor, and paid back by the owners of real property benefited. The last class of loan is supposedly self-supporting, and so the limitations imposed on such loans are slight. The same is largely true of loans for draining and dyking. Debts contracted for general purposes are payable in 50 years and are more carefully limited.

The 1906 Act provided for the borrowing of money "by hypothecating or pledging with any banker, or other person willing to advance the same, the debentures, bonds, or obligations lawfully issued by such Municipal Council under the provisions of this Act, and which may for the time being remain unsold, but so that any such borrowed moneys shall be repaid out of the proceeds of the said debentures, bonds, or obligations when sold, and the Council may, out of the funds of the municipality, pay interest upon such borrowed moneys."⁴²

(37) British Columbia, Statutes, 1896, Chapter 37, Section 69.

(38) *Ibid.*, Section 75.

(39) *Ibid.*, Section 78.

(40) *Ibid.*, Section 79.

(41) *Ibid.*, Section 80.

(42) *Ibid.*, 1906, Chapter 32, Section 67.

The 1906 Act also set a limit to the borrowing undertaken for draining and dyking purposes of two and one-half per cent. of the total assessed value of the land in the municipality. Provision was also made whereby the Council of any municipality might anticipate current revenue through borrowing.

In 1901 provision was made for the issuance of "Treasury Certificates" to take the place of debentures remaining unsold. Municipal councils were also empowered to contract debts for school purposes. In 1913 there was passed the "Local Improvements Act," which was amended in 1916, making provision for the issuance of debentures prior to the completion of public works in order to finance these undertakings. Proper provision has been made for sinking funds, and repayment of principal in accordance with the provisions of the "Municipal Act."

The "Unemployment Relief Act" of 1933 made possible the contraction of debts by municipalities for relief purposes.

In 1935 it was provided that all money by-laws must be submitted to the Inspector of Municipalities, and the approval of the Department of Municipal Affairs was required for all money by-laws having to receive the assent of the electorate.

A survey of the legislation governing municipalities in British Columbia shows that there has been a tendency to increase the debt-contracting powers of municipalities. For example, the "Municipal Act" of 1881 limited all borrowing by municipalities to 10 per cent. of the total assessed value of the real estate in the municipality, and such debts, except in special cases, were not to run over 20 years. In 1896 the power to borrow was expanded to 20 per cent. of the total assessed value of all land and improvements in the municipality, and debts could run for a period of 50 years. Municipalities were also empowered to borrow on the security of public utility rates, and debts contracted for local improvements were not to be considered as part of the aggregate municipal debt. Further expansion occurred in 1924 when debts contracted for school purposes, as well as for local improvements, could be excluded from the aggregate municipal debt.

In estimating the 20 per cent. limitation on borrowing, the assessed value of municipal public utilities could be included. (Note.—Other powers granted with respect to the handling of debentures have to do rather with the technique of modern borrowing, and do not fundamentally increase the municipalities' power to borrow.)

A factor with regard to municipal indebtedness which must be kept in mind is the relation of this to real estate values. These values have fluctuated very widely. It is stated that in certain municipalities the assessed value of the land today is less than one-half of what it was before the War. This is particularly significant owing to the fact that one of the main sources of revenue for the municipality is the power to tax land and improvements.

Table 126 (which relates to municipal liabilities) and Table 127 (which relates to municipal sinking funds) show from 1917-35 the extent to which municipalities have borrowed and are still in debt.

SOURCES OF REVENUE AVAILABLE TO THE MUNICIPALITIES IN ORDER TO ENABLE THEM TO CARRY OUT THEIR FUNCTIONS.

The taxing powers possessed by the municipalities are derived from the Province. The "Municipal Act" and the "Village Municipalities Act" specify what sources of revenue the municipalities shall possess. It is not incumbent upon the municipalities to avail themselves of all of these sources. The revenue raised from these sources consists of direct levies on land or on land and improvements, licences and fines.

While the municipalities are supposed to maintain themselves from such sources alone, in actual fact they are the recipients of an annual subsidy from the Provincial Government varying in amount from year to year. The extent of this aid determines in many cases whether individual municipalities will remain solvent or become bankrupt.

In practise, then, the revenue enjoyed by the municipalities consists of the moneys raised by the municipalities themselves and of varying annual amounts paid to the municipalities by the Province.

In considering the revenue sources of the municipalities consideration is first given to the sources at the disposal directly of the municipalities and second, to those indirect items of revenue comprising aid and grants from the Province. Except when specified otherwise the Village municipalities are not included in the term "municipalities." Their position is outlined separately.

DIRECT SOURCES OF REVENUE.

The most important and time-honoured revenue source of local government has been the levy on land or on land and improvements. In British Columbia over 90 per cent. of the revenue raised by the municipalities comes from this levy.

The "Borough Ordinance Act" of 1865 empowered the Governor to grant charters to local areas, and in every such charter the Governor was empowered to:

"Provide for raising, by By-Law, a Municipal Revenue by taxes and rates leviable on the property within the Borough bounds, and by municipal fines and penalties for breach of local regulations. Provided that in such cases the Charter shall fix a definite, clear, and not excessive limit to any such taxation, and to any borrowing power thereby conferred, and specify the Municipal objects to which alone the same may be applied."⁴³

In 1870 there was passed the "Municipal Fines Ordinance." This Act provided that:

"All taxes, fines, and penalties assessed, levied, and collected, or to be hereafter assessed, levied, and collected from any person or persons whomsoever under or by virtue of any By-Law of any Municipality by whomsoever collected, whether by any Municipal Officer, Justice of the Peace, or general Police shall save so far as otherwise prescribed in such By-Law, be paid over when collected to the Treasurer or other proper financial officer of such Municipality, to be applied and accounted for by him as part of the Revenue of such Municipality, or to and in such special uses and manner respectively, as may be declared in that behalf in such By-Law.

"The fees and costs of the Court in or through which of its Officers such taxes, fees, penalties, or costs may be recovered, shall be paid and applied to the same uses and in the same manner as the ordinary fees and costs of the Court in which the same may be collected."⁴⁴

(43) British Columbia, Statutes, 1871, No. 57, Section 2, subsection (g).

(44) *Ibid.*, No. 136, Sections 1 and 2.

The "Municipality Act" of 1878 made provision for taxes on persons and property and for the charging of licence fees. The "Municipality Act," in addition to granting the powers above referred to, provided that:

"For raising sums to be expended on the roads in every municipality the Council shall pass from time to time, make, alter, or repeal by-laws for the purpose of road building a tax not to exceed two dollars per head per annum."⁴⁵

The licensing powers of the municipalities were specified exactly both as to the nature of the business that might be licensed and the maximum that might be exacted. Since 1881 this licensing power has been modified but slightly.

In the case of licences to sell spirituous liquors, certain amounts had to be paid into the Provincial Treasury by the municipalities in connection with such licences granted.⁴⁶

Section 120 provided that:

"Rates and taxes may be settled . . . upon real estate and improvements thereon within a municipality by the Council thereof, not exceeding in any one year one per cent. and one-third . . . on the assessed value thereof."

Certain properties were required to be exempted from such a tax.⁴⁷ Any municipality was empowered to impose a "wild land" tax of not more than five cents an acre,⁴⁸ the limitations of Section 120 not applying.⁴⁹ Also, except in municipalities in which a road tax was levied, every male person of 18 years of age might be required to perform two days' labour in any one year or pay \$1.25 per diem in lieu thereof.⁵⁰ "Wild land," for the purposes of the Act, was defined as land with improvements assessed at less than \$1.25 an acre, or at under \$2.50 an acre if west of the Cascades.⁵¹ School land was not to be taxable as "wild land."⁵²

The "Municipal Clauses Act" was passed in 1896. It was provided that improvements could be assessed up to 50 per cent. of their value, less, or not at all. The tax rate might not exceed one and one-half per cent., the tax on "wild land" not exceeding two and one-half cents on the dollar.⁵³

In addition, a special rate might be levied to pay for local improvements.⁵⁴ This additional rate was not to be subject to the limitations of Section 136.⁵⁵ Municipal Councils might levy a rate of one mill on the dollar for health purposes and two mills on the dollar for education purposes.⁵⁶

In the case of City municipalities the rate of one and one-half per cent. on land and improvements might be exclusive of (in addition to the rates necessary for special local improvements) the rate necessary to meet the funded debt.⁵⁷ Interest might be charged on overdue taxes at a rate not to exceed 6 per cent.⁵⁸

(45) *Op. cit.*, 1881, Chapter 16, Section 87.

(46) *Ibid.*, Section 116.

(47) *Ibid.*, Section 120.

(48) *Ibid.*, Section 122.

(49) *Ibid.*, Section 121.

(50) *Ibid.*, Section 125.

(51) *Ibid.*, Section 123.

(52) *Ibid.*, Section 124.

(53) *Ibid.*, 1896, Chapter 37, Section 136.

(54) *Ibid.*, Section 50.

(55) *Ibid.*, Section 136.

(56) *Ibid.*, Section 137.

(57) *Ibid.*, Section 138.

(58) *Ibid.*, Section 148.

In District municipalities male residents of between 21 and 50 years of age, unless otherwise assessed, might be required to perform two days of statute labour in each year. A sum not exceeding \$2.00 a day might be charged in lieu of labour. In District municipalities statute labour might not be assessed where there was also a road tax.⁵⁹

A revised schedule regulating the licensing of persons engaged in various types of business appeared as Section 169. The municipalities were no longer required to pay a certain portion of the sums realized by the issuance of such licences to the Provincial Treasury.

In this survey the power of a municipality to levy special rates or rents upon certain sections of the community enjoying special services is not considered. Sewer rentals and local improvement taxes do not apply to the taxpayers of a municipality as a whole, and the debts contracted for such services are not necessarily secured by the municipality as a whole, and are not raised upon the credit of the municipality as a whole.

The "Municipal Clauses Act Amendment Act" was passed in 1906. In future five mills on the dollar might be levied for school purposes.⁶⁰ Wild land might be taxed up to four per cent. of its assessed value.⁶¹ In addition it was provided that in future municipalities might retain, under certain conditions stipulated below, the fines and penalties inflicted and collected for violation of Provincial laws:

"It shall be lawful for every municipality paying an annual salary to a Police Magistrate and maintaining a police force to retain and use as part of the municipal revenues all Police Court fines, fees, and forfeitures incurred not only for breach of its by-laws, but for infraction of the laws of the Province made in relation to matters coming within the classes of subjects over which the Provincial Legislature has exclusive legislative authority, except where other provision . . . is made by statute."⁶²

The "Municipal Act" of 1914 empowered the municipalities to levy certain additional taxes. A special rate might be levied on real or personal property for the purpose of establishing and maintaining a fire department.⁶³ Pre-emptors might be made liable, although not the legal owners of the land and improvements, for taxes thereon.⁶⁴ Authority was granted for the taxing of dogs over 6 months old and not to exceed \$5.00 a year,⁶⁵ and also to tax bicycles and all other vehicles except invalid carriages, perambulators, and children's vehicles, at an amount not to exceed \$2.00 a year.⁶⁶ The limit on the taxation of wild land was raised to five per cent. of its assessed value.⁶⁷ District Municipalities, except where a road tax was levied, might require all male residents between 21 and 60 years of age to perform statute labour, in accordance with a sliding scale based on the assessed value of real property owned, the charge in lieu thereof not exceeding \$2.00 a day, and the maximum number of days for which any person was liable was not to exceed two days per annum.⁶⁸ Although the levy on land and improvements might not exceed one and one-half

(59) *Op. cit.*, Sections 161, 164.

(60) *Ibid.*, 1899, Chapter 53, Section 9.

(61) *Ibid.*, Section 9, Subsection (1).

(62) *Ibid.*, 1906, Chapter 32, Section 238.

(63) *Ibid.*, 1914, Chapter 52, Section 54, Subsection 77.

(64) *Ibid.*, Section 198.

(65) *Ibid.*, Section 54, Subsection 174.

(66) *Ibid.*, Section 54, Subsection 170.

(67) *Ibid.*, Section 201.

(68) *Ibid.*, Section 277.

per cent., additional levies might be charged for schools (no limit), funded debt (no limit), and Board of Health requirements (no limit).⁶⁹

In 1919 the municipalities were empowered to levy a poll tax on certain classes of persons. The Statute provided that:

"The Council of any municipality in the Province may by by-law fix and impose a poll tax, not exceeding five dollars, on every male person, within the meaning of section 2, who resides within the boundaries of the municipality or within the boundaries of the municipal school district where such district embraces territory not included in the municipality."⁷⁰

However, certain persons were exempted as follows:

" . . . no poll tax (shall) be collected . . . from or in respect of any person who has paid to the collector of any municipality in the Province assessed taxes which that person was liable to pay to the value of five dollars on real property, land, or improvements for the year . . ."⁷¹

Other changes in the taxing powers of municipalities were made from time to time, and by 1924 the limitation on the general rate levied on land and improvements was raised to 20 mills on the dollar.⁷² Special rates could be levied without limit for fire departments, schools, health purposes and the funded debt.

In spite, however, of the varying changes made in the taxing powers of municipalities, the main source of municipal revenue is still the tax on land and improvements.

In 1936 it was provided that:

"The Council shall . . . pass a by-law or by-laws for imposing upon all land and improvements, according to the assessed value thereof, a rate or rates as follows:

- "(a) To provide for the amounts required under by-laws of the municipality to meet payments of interest and principal of debts incurred by the municipality, other than debts incurred for school purposes;
- "(b) To provide for moneys required for school purposes;
- "(c) To provide for all other lawful purposes of the municipality a rate which in the years 1936, 1937, and 1938, respectively, shall not exceed thirty-five mills on the dollar and in succeeding years not exceed twenty mills on the dollar."⁷³

The same section also provides that in those municipalities in which there is a commissioner, the maximum rate may, with the consent of the Lieutenant-Governor in Council be increased by any such amount as may be considered necessary. In addition Section 246 provides that:

"The rates authorized by this section to be imposed upon improvements, shall not be upon more and may, in the discretion of the Council, be upon less than seventy-five per centum of the assessed value thereof, or improvements may be entirely exempted from taxation."

In municipalities maintaining a public library an annual tax may be imposed, not exceeding two dollars, upon every person who is the registered owner of land within the municipality or who resides in the municipality and is between 21 and 60 years of age, or both, providing that no one person shall be liable for more than two dollars.⁷⁴

(69) British Columbia, Revised Statutes, 1911, Chapter 170, Section 232.

(70) *Ibid.*, 1936, Chapter 281, Section 16.

(71) *Ibid.*, Section 17.

(72) *Ibid.*, 1924, Chapter 179, Section 231.

(73) *Ibid.*, 1936, Chapter 199, Section 246.

(74) *Ibid.*, Section 59, Subsection 197.

Apart from the levy on land and improvements for general purposes, the following taxes are permitted:

- Road tax or statute labour
- Dog tax
- Library tax
- Bicycle and vehicle tax
- Poll tax
- Fines and penalties
- Licences
- Special rate for maintenance or aid of fire department or company
- Special rate for educational purposes

The productivity of the sources of revenue enumerated above is diminished in certain instances by exemptions. Today land and improvements are exempted from municipal taxation if they are owned by, or are used as:

- Churches or religious societies
- Burial grounds
- Hospitals and sanitoriums
- Orphanages and children's homes
- Agricultural or horticultural societies
- The municipality
- His Majesty
- Historical properties (with approval of Council)⁷⁵

In the case of certain municipalities these exemptions may very seriously impair the productivity of the levy. An example is Esquimalt, where much of the property is owned by the Dominion of Canada in the form of barracks, graving docks, and naval yards, etc. Members of the militia and the armed forces of the Crown are also exempt from payment of road tax or the performance of statute labour.

It can thus be seen that just as the tendency has been to increase the powers of the municipalities, there has been also a tendency to increase their powers of levying taxes. In spite of this, however, it would appear that the cost of municipal government has increased to a greater extent than the power of the municipalities to secure revenue.

REVENUE SOURCES OF VILLAGE MUNICIPALITIES.

An Act providing for the incorporation of village municipalities was passed in 1920. In 1922 an amendment included a schedule regulating the government of such areas. Under this schedule the Commissioners of a Village municipality are empowered to obtain revenue from the following sources:

- (a) From taxes on land;
- (b) From taxes on improvements;
- (c) From licences;
- (d) From poll taxes (if levied);
- (e) From taxes on dogs (if levied);
- (f) From road taxes (if levied);
- (g) From library taxes (if levied).⁷⁶

Section 50 provides that:

"The Commissioners shall . . . pass a by-law or by-laws for imposing upon land and improvements, according to the assessed value thereof, a rate or rates as follows:

(75) *Op. cit.*, Section 221.

(76) *Ibid.*, Chapter 203, Section 29.

- “(a) To provide for the lawful purposes of the municipality a rate not to exceed twenty mills on the dollar;
- “(b) The rates authorized by this section to be imposed upon improvements shall not be upon more, and may in the discretion of the Commissioners, be upon less than fifty per centum of the assessed value thereof, or improvements may be entirely exempted from taxation;
- “(c) The sum of one dollar shall be the minimum amount of taxation in any year upon any parcel of taxable land upon the assessment roll.”⁷⁷

Certain classes of properties are exempted from taxation; this provision is similar to that applying to ordinary municipalities.⁷⁸

In addition, the village municipalities enjoy certain subsidies from the Provincial Government.

INDIRECT SOURCES OF REVENUE.

In addition to revenue raised directly by the municipalities themselves they also enjoy certain grants from the Provincial Government. From 1920–1933 the municipalities shared in liquor profits, as well as in revenue from motor licences and the *pari-mutuel* tax. At the present time grants are confined to assistance in connection with unemployment relief and grants in aid of education. The municipalities still share in the motor licence revenue.

Table 128 shows the receipts of the municipalities from 1917–35.

DEPARTMENT OF MUNICIPAL AFFAIRS.

In the “Municipal Act of 1914”⁷⁹ provision was made for the supervision of municipal affairs by an Inspector of Municipalities.⁸⁰

This Act provided that the Lieutenant-Governor in Council could appoint an official to be known as the Inspector of Municipalities, whose activities were to be under the direction of the Department of the Attorney-General. The inspector was empowered to hold public inquiries in the matters relating to municipal action, and in this respect he was invested with the customary powers of a commissioner. Orders issued by the inspector following a public inquiry, and by the approval of the Lieutenant-Governor in Council, were binding on the municipalities. The inspector was authorized by the 1914 Act to approve of municipal by-laws authorizing the borrowing of money and the issuance of debentures. However, it was not compulsory for the municipalities to submit such by-laws to the inspector for his approval until 1935. In practice the municipalities did submit money by-laws to the inspector’s office so that, while the authority of the inspector before 1935 was not mandatory, it was real.

The “Municipal Act” of 1914 also provided that the Lieutenant-Governor in Council should have power to make regulations affecting municipalities with reference to the following matters:

1. Bookkeeping.
2. Accounting systems.
3. The form in which debentures might be issued.
4. The annual submission by municipalities of a statement showing the amount of debentures issued and outstanding, the sinking fund provisions and the manner in which the sinking fund moneys were invested.
5. The submission of a financial statement.
6. The supervision of the manner in which sinking fund moneys were invested.

(77) *Op. cit.*, Section 50.

(78) *Ibid.*, Section 30.

(79) British Columbia, Statutes, 1914, Chapter 52.

(80) *Ibid.*, Part XXII.

7. The inspection of the books of Local Boards of School Trustees of Municipal School Districts.
8. The submission of money by-laws for approval.
9. The holding of public inquiries under the Act.
10. All matters conducive to standardization and likely to lead to a thorough and uniform and systematic conduct of municipal affairs.
11. The fixing of fees to be paid by the municipalities in respect to matters herein outlined.

Section 479 provides that such regulations shall have the force of the law.

In 1934 an Act to establish a Department of Municipal Affairs was passed, and the office of the inspector was incorporated in the new department. This department "is a recognized medium of communication between the Municipalities of the Province and the Lieutenant-Governor in Council, and performs such other duties as the Lieutenant-Governor in Council shall from time to time direct."

The establishment of a special department of the Government to deal with municipal problems indicates the growing importance of this phase of governmental activity. The department's work is for the most part supervisory, data is collected, and an Annual Report is published containing information with regard to the position of the municipalities. The department is also in a position to indicate when the "Municipal Act" is not being complied with, and although not directly responsible for the enforcement of this Act, its influence is indirectly beneficial.

MUNICIPAL TAX STRUCTURE.

In 1936 there were 78 municipalities in British Columbia.⁸¹ Thirty-two of these are classed as cities, 27 as districts, 18 as villages, while Vancouver has a special charter. In 1935 the estimated population residing within incorporated areas was 520,214, and total area incorporated was 987,670 acres.⁸² Approximately three-quarters of the Province's population reside within municipalities, although the incorporated area is only approximately one-half of one per cent. of the total area of the Province.

Table 111 shows the population residing within municipal limits, the area incorporated, the municipal population per acre, the receipts per capita, and the receipts per acre in 1935. The population per acre figure is given because it very strikingly indicates the different character of city, district, and village municipalities. In city municipalities the population per acre is 52.2, while in district municipalities it is only .128 and in villages it is 1.17. The receipts per capita are of interest in that they indicate the relatively more important role that the larger municipalities play in the lives of their residents through providing additional services of higher quality. The receipts per capita in cities were \$42.70, in districts, \$25.00, and in villages, \$8.50. These figures are also of interest in that they indicate how much would have to be collected each year, on an average per person, if municipal receipts depended entirely on a poll tax or on an income tax. The receipts per acre figure gives an indication of how much would have to be raised, on an average, from every acre of land situated within incorporated limits, if land was the only source of revenue. Actually of course, much of the land and improvements within municipal areas are legally

(81) British Columbia, Department of Municipal Affairs, Annual Report, 1936.

(82) See Table 111.

exempted from taxation. If all receipts were to come from the taxable land, a rate of 81 mills in the dollar would have to be struck.⁸³

In regard to the provision of social services the municipalities expended \$12,600,000⁸⁴ in 1935. This is 43 per cent. of the combined provincial-municipal expenditure.⁸⁵ Altogether the municipalities collect and disburse almost as much as does the Provincial Government. Playing the large part that they do, and having been made responsible for the provision of numerous services,⁸⁶ the manner in which these services are financed is of the utmost importance, and the incidence of the municipal tax structure on the combined Provincial-municipal tax system is very great.

The taxing powers of the municipalities are delegated powers of the Provincial Government's which in turn possesses certain taxing powers specified by the British North America Act. The taxing powers possessed by the muni-

TABLE 111.
POPULATION AREA AND RECEIPTS OF MUNICIPALITIES,
CALENDAR YEAR 1935.

	Population.	Area in Acres.	Population Per Acre. (1)	Receipts Per Capita. (1)	Receipts Per Acre. (1)
Cities (2).....	387,821	74,096	52.20	\$42.70	\$223.00
Districts.....	124,381	906,753	0.128	25.00	3.43
Villages.....	8,012	6,821	1.17	8.50	10.50
Totals.....	520,214	987,670	-----	-----	-----
Averages.....	-----	-----	0.55	\$38.00	\$20.00

- (1) Calculated.
(2) Includes Vancouver.

SOURCE: British Columbia, Department of Municipal Affairs, Annual Report, 1935.

palities have been temporarily given to them by the Provincial Government, so that they may carry out their responsibilities and other functions, and in theory the Province could at any time add to or subtract from these powers.

The division between the Provincial Government and the municipalities of the taxing powers given to the Provinces under the B.N.A. Act is a wholly local Provincial problem but it cannot be ignored in an analysis of the Provincial tax structure. A study of the taxing powers (and their incidence) of the Province of British Columbia becomes a study of the combined Provincial-municipal tax structure.

The division of taxing powers as between the Provincial Government and the municipalities is wholly a Provincial problem and is not affected by the B.N.A. Act, except insofar as that Act limits the powers of the Provincial Government. However, an understanding of the problems of the municipalities is necessary to an understanding of the problems of the Province as a whole. It is, in the main, the same people who pay taxes to the municipalities and to the Province, but the burden of the taxes on the taxpayer is affected by this distribution.

All the information in the Tables is either abstracted or calculated from material given in the Report of the Department of Municipal Affairs. An

(83) This is considerably in excess of the current average tax rate.
(84) See Table 92.
(85) See Table 93.
(86) See Part IV.: "The Social Functions of Government."

entirely new segregation has been adopted in the latest Report (that of 1936) and unfortunately in many cases Vancouver is omitted. When this is the case the 1935 figures have been used, for they include Vancouver, even though the segregation used in that year is unsatisfactory.

RECEIPTS OF THE MUNICIPALITIES.

Grants of money collected from other tax bases are not included in this study of the receipts of the municipalities. All aids from the Provincial Government are excluded.

Table 112 shows the receipts of the municipalities for the calendar year 1935. Item A includes receipts from the municipal levy for the current year and also the proceeds from the sale of reverted tax lands. Trade licences bring in a small percentage of the total. Road, poll, and dog taxes amount to about 1 per cent. of the total. The proceeds from fines are insignificant. Item E, which amounts to 8.6 per cent. of the total receipts, is designated in the Municipal Reports as "other receipts." This item largely includes payments of arrears, and also what are strictly non-revenue receipts such as trust funds receipts, by-law receipts, sinking fund receipts, etc. Consequently, it is probable that this item should not be included under taxation.

If Item E is included, the proceeds from the municipal levy amount to 86.2 per cent. of the total: if Item E is not included, the proceeds from the levy constitute 94.4 per cent. of the total receipts. Due to ambiguity in the classi-

TABLE 112.

RECEIPTS OF MUNICIPALITIES OF BRITISH COLUMBIA REALIZED THROUGH THEIR OWN TAXING POWERS DURING CALENDAR YEAR 1935.

	Cities. (1)	%	Districts.	%	Vil- lages.	%	Total.	%
A—Levy on Land Improvements (2) ..	\$14,289,170	86.0	\$2,693,898	87.0	\$43,081	60.0	\$17,026,149	86.2
B—Trade Licences	634,204	4.0	55,094	2.0	12,889	18.0	702,187	3.6
C—Road, Poll, and Dog Taxes	164,427	1.0	40,553	1.0	1,632	2.3	206,612	1.0
D—Fines	106,574	0.6	13,916	0.4	-----	-----	120,490	0.6
E—Other Receipts (3)	1,378,929	8.4	304,829	9.6	14,092	19.7	1,697,850	8.6
F—Total Receipts	16,573,304	100.0	3,108,290	100.0	71,694	100.0	19,753,288	100.0

(1) Includes Vancouver.

(2) Includes items "Land Taxes Received" and "Collections from Sales of Reverted Tax Lands."

(3) See Table 113 for receipts resulting from profits of municipally owned public utilities.

SOURCE: British Columbia Department of Municipal Affairs, Annual Report, 1935.

fications it is impossible to give a definite figure. Whatever the actual figure, however, approximately ninety per cent. of the receipts obtained from the municipal tax system come from the municipal levy on land or on land and improvements.

Receipts from municipally owned or operated public utilities are not included in the total receipts shown in Table 112.

RECEIPTS FROM PUBLIC UTILITIES.

A rather confusing situation in regard to municipal receipts arises from the fact that certain municipalities own and operate public utilities. In some cases the rates charged are far higher than is necessitated by the cost of providing the service and the resulting profit is used to meet the general dis-

bursements of the municipality. In other cases, the public utilities operate at a deficit and the service is in part financed from the municipal treasury.

An example is the City of New Westminster. This corporation does not tax improvements and the tax levy falls only on land. However, New Westminster owns its own electric light and power utility and also its own waterworks. The electric light and power rates are such that on an estimated investment of \$437,778 it made a profit in 1935 of \$101,786.⁸⁷ In addition, its waterworks operations resulted in a profit of \$24,158.⁸⁸ In this particular case the policy of setting public utility rates above cost, results in a certain modification of the policy of not taxing improvements.

Table 113 shows the profits and losses sustained due to the operations of municipally owned utilities. In general most cities make a profit out of their utilities and most districts take a loss. The operations of the latter are probably on too small a scale to be economical. The net position is that all the municipalities together made a profit of \$406,789 from their public utilities.⁸⁹ As this is approximately 3 per cent. of the total receipts of the municipalities, it is not important as a whole although in individual cases the policy of using the utility rates as part of the tax system brings about unusual results.

The profit and loss figures are the result of deducting from the gross year's revenue the cost of maintenance and operations, and interest or sinking fund or instalments of principal. It is presumed that operating expenses include adequate provisions for depreciation, although it is doubtful whether this is done in all cases. Expenditure for construction paid out of revenue is not deducted from the gross revenue figures as it is presumed that such expenditure represents additional capital, or betterments, and not a replacement of an impaired investment.

TABLE 113.
PROFIT OR LOSS OF MUNICIPAL PUBLIC UTILITIES,
CALENDAR YEAR 1935.

	Total Profit.	Total Loss.	Net Profit or Loss. (1)
Cities (2) —			
(a) Electric Light and Power.....	\$270,923	\$2,874	+\$268,049
(b) Water Works.....	293,648	38,646	+255,002
(c) Sundry.....	13,716	12,953	+763
(d) Sub-total.....	\$578,287	\$54,473	+\$523,814
Districts —			
(a) Electric Light and Power.....	12,739	1,037	+11,702
(b) Water Works.....	25,371	133,668	—108,297
(c) Sundry.....	19,218	39,648	—20,430
(d) Sub-total.....	\$57,328	\$174,353	—\$117,025
Totals.....	\$635,615	\$228,826	+\$406,789

(1) Calculated.
(2) Includes Vancouver.

SOURCE: British Columbia: Department of Municipal Affairs, Annual Report, 1935.

(87) British Columbia, Department of Municipal Affairs, Report, 1935.
(88) *Ibid.*
(89) See Table 113.

THE INCIDENCE OF THE LEVY.

As the proceeds from the municipal levies are approximately ninety per cent. of the municipalities' total receipts any study of the incidence of municipal taxation becomes a study of the incidence of the municipal levy.

Most of the services provided by municipal government are provided directly for the benefit of persons: examples are public health, street lighting, education, etc. Only a very few are in part for the benefit of property (and thus indirectly for persons): examples are fire protection and police, etc. Considering this, it has often been argued that municipal taxes should fall on persons rather than on property. There are broadly three main bases upon which municipal taxes might fall: on persons, on improvements, and on land. Considering the character of municipal services analytically, it would seem most equitable if, making variations in accordance with benefit received and ability to pay, that the bulk of the taxes fell on people and to a lesser extent on land and improvements.

(a) *The Rate Base.*

Table 114 shows the value of taxable land, the value of taxable improvements,⁹⁰ the total value of taxable property, the value of land and improvements exempted from taxation and the total value of all real property within municipal

TABLE 114.

VALUE OF TAXABLE AND EXEMPT REAL PROPERTY WITHIN MUNICIPAL LIMITS, CALENDAR YEAR 1935.

	1. Value of Taxable Land.	2. Value of Taxable Improvements.	3. Total Value Taxable Property.	4. Land and Improvements Exempt from Taxation.	5. Total Value of All Real Property.
Cities (1)	\$187,190,396	\$260,142,632	\$447,333,028	\$111,012,429	\$558,345,457
Districts	54,448,654	77,336,501	131,785,155	34,808,264	166,593,419
Villages	1,586,040	3,052,100	4,638,140	865,134	5,503,274
Totals	\$243,225,090	\$340,531,233	\$583,756,323	\$146,685,827	\$730,442,150
Percentage of Column 5	33.4%	46.6%	80.0%	20.0%	100.0%

(1) Includes Vancouver.

SOURCE: British Columbia: Department of Municipal Affairs, Annual Report, 1935.

limits. Out of every \$100 worth of real property within incorporated areas \$20.00 is legally exempted from taxation, \$46.60 represents taxable improvements and \$33.40 represents taxable land.

As Tables 114 and 115 indicate, approximately 20 per cent. of the total value of all improvements and land within municipal limits are exempted entirely from municipal taxation.

Section 221 of the Municipal Act provides that land and improvements within a municipality shall be exempt from taxation if "used solely for the public worship of God," if used as a burying ground or cemetery, if used solely as a hospital or as an orphanage for destitute children, if owned by the municipality or held by His Majesty.⁹¹ This last however, does not include property owned by the Crown but sold conditionally to private individuals.

(90) This does not refer to the extent of the value that may be taxed (there is a limit) but to the total value of the property that may be taxed.

(91) British Columbia, Revised Statutes, 1936, Chapter 199, Section 221.

Under certain circumstances other property may be exempted by the council with the consent of the taxpayers.⁹²

TABLE 115.
POTENTIAL, LEGALLY POSSIBLE, AND ACTUAL RATE BASES
IN MUNICIPALITIES, 1936.
(In thousands of dollars.)

	1. Total Assessed Value of Real Property.	2. Assessed Value (Col. 1) Less Property Legally Exempted.	3. Assessed Value (Col. 1) Less Property Legally Exempted and Portion of Improvements Legally Exempted. (1)	4. Present Values Actually Taxed.	5. Column 4 as Percentage of Column 3.	6. Column 4 as Percentage of Column 2.	7. Column 4 as Percentage of Column 1.	8. Taxable Values Lost Through Partial Assessment of Improvements (Column 2 minus 4).
Cities.....	\$189,225	\$132,889	\$112,227	\$84,288	75%	64%	44%	\$48,601
Districts.....	167,214	131,737	112,403	80,620	72%	61%	48%	51,117
Villages.....	5,804	4,803	3,199	3,152	98%	65%	54%	1,651
Vancouver.....	371,568	313,460	224,856	224,856	100%	72%	61%	88,604
Totals.....	\$729,813	\$582,889	\$452,865	\$392,916	87%	67%	54%	\$189,973

(1) This represents the taxable values available to the municipalities for taxation purposes.
SOURCE: British Columbia: Department of Municipal Affairs, Annual Report, 1936.

The practice in British Columbia is for each municipality to strike a mill rate and apply this to the rate base. The rate base is the total assessed value of the taxable land, and to this is usually added, at varying rates, a percentage of the assessed value of the taxable improvements. For taxation purposes, land is always included in the rate base at its full value: in the case of taxable improvements some municipalities do not include their value in the rate base at all. At present a statutory provision limits the cities and districts to assessing improvements for taxation purposes at 75 per cent. of their real value, and villages are limited similarly to 50 per cent.⁹³

Table 116 (column 8) shows, as a weighted average, the extent to which improvements are assessed for taxation purposes in 1936. The average is 44.2 per cent. Column 9 shows that at present only 67.5 per cent. of the potential rate base is being used.⁹⁴

In practice the statutory limitation could be overcome to a certain extent by applying a higher rate to the limited improvements rate base than was applied to the land rate base. However, there are statutory limitations on the tax rate that may be levied.

Actually, the limitations described above are not felt to be onerous by municipal councils, as no city or district has ever assessed improvements for taxation purposes higher than 65 per cent.⁹⁵

The most striking aspect of the municipal levy is that the total potential rate base is valued, in 1936, at \$729,813,850. Of this, land and improvements

(92) *Op cit.*, Sections 177, 222, 228, 336.

(93) See Table 116 for additional information regarding the extent to which improvements are assessed for taxation purposes.

(94) That is, excluding from the rate base land and improvements legally exempt but including taxable improvements at their full value.

(95) See Part IV.: "Social Functions of Government—Education," page 147.

valued at \$146,925,242 were legally exempted from improvements. Thus 20.2 per cent. of the potential rate base is lost at the outset. The legal limitation on the assessment of improvements for taxation purposes means a loss of another \$130,204,071 from the rate base. However, the municipalities do not feel this limitation, as, although they include the full value of land into the rate base, they only assess improvements at 44.2 per cent. (*see* Table 116). The rate base actually used for municipal purposes is \$392,916,117. This is 54 per cent. of the total potential rate base, 67.5 per cent. of the legally potential rate base (not considering the limitation on assessing improvements as being a legal preventive) or 87.0 per cent. of the tax base at present open to the municipalities.⁹⁶

(b) *The Rate.*

The tax rate figures are not a good indication of the burden of municipal taxation. Each municipality assesses, along lines laid down by Provincial statute, the value of the real property situated within the municipal limits. Assessments between different municipalities differ widely. There is also a considerable lag between the assessment values and the actual values: in general the value of land in certain municipalities is falling steadily but the assessment figures do not always show this with the result that land is assessed considerably higher than its actual value and the tax rate on land becomes proportionately heavier.

The tax levy in the case of villages is for general purposes only, as villages are not liable for school or police expenses, and have no power to contract debts. The average mill rate for villages is 13.6.

The tax rate for school purposes includes the amount necessary to pay the interest and sinking fund provisions on the school debt. This rate is thus sufficient to pay the total municipal expenditures for education. It will be noticed that approximately one third of the tax levy in the case of cities and districts is for school purposes. When it is remembered that over half the rate base consists of land values, often inflated, the equity of such a method of financing education is open to doubt.⁹⁷

Almost another third of the total tax levy is for the payment of interest on redemption of the municipal debt. Most of this indebtedness was incurred for streets, sidewalks, sewers, drains, street lighting, municipal buildings, fire protection equipment, etc. A great deal of this is of direct and indirect benefit to land owners.

The other third of the tax levy is for general municipal expenses. The major portion of this is for social services, public health, policing, payment for patients in institutions, relief, etc. The owners of land constitute over half the rate base.

Although there is considerable difference in the tax rate between different municipalities almost every municipality applies the same tax rate to both land and improvements. The discrimination exists, not due to a different tax rate being applied although this is sometimes the case, but due to the fact that land is always included in the rate base at its full value, while improvements never are and cannot at present legally be so included, and in actual practice are only included on a weighted average, at 44.2 per cent of their actual value. Table 116 shows that although improvements constitute the greater part of the poten-

(96) *See* Table 115.

(97) *See* Part IV., "Social Functions of Government"—Education.

tial rate base, in practice they constitute the lesser part of the rate base actually taxed.

The rate base at present actually used amounts to \$392,916,000. If improvements were assessed at their full value for taxation purposes the tax base would be \$582,889,000. Improvements to the value of \$189,973,000 are omitted from the tax base.⁹⁸

In 1936 the total assessed value of taxable land in municipalities was \$242,488,000, bearing a levy of \$9,751,068.54. The total assessed value of taxable improvements (75 per cent. of which may be taxed) was \$340,403,000, and of this \$150,428,000 was actually taxed, the levy on this being \$5,997,353.13. (See Tables 116 and 117.) These figures indicate the large proportion of the municipal levy falling on land and on improvements.

THE INCIDENCE OF OTHER MUNICIPAL TAXES.

During 1935, \$702,187 was collected from trade licenses, \$206,612 from road, poll and dog taxes, \$120,490 from fines and \$1,697,850 from other receipts; these items constituted 3.6, 1.0, 0.6 and 8.6 per cent. respectively, of the total municipal receipts.⁹⁹ As was explained in Section 1, there are considerable doubts as to whether or not the item "other receipts" should be included. If this item is omitted all receipts other than the municipal levy only amount to approximately 5 per cent. of the total municipal receipts. If the "other receipts" item is included these various miscellaneous sources of revenue together amount to 13.8 per cent. of the total municipal receipts. It can be seen, then, that these various sources of income are quantitatively unimportant: accordingly, they will be considered very briefly.

The primary impact of trade licences is felt of course by trades-people but this burden must in nearly all cases eventually be borne by the consumer.

Dog taxes are in part a luxury tax: the majority of persons owning dogs own them as pets and not for work. The maximum imposition upon any one person is \$10, and thus a man owning a number of dogs for professional or business purposes does not feel the burden disproportionately.

The municipal poll tax is like the Provincial poll tax. The maximum is \$5, and it is paid by every adult resident who does not pay any other municipal tax.

Municipalities are legally empowered to require adult male residents to perform statute labour upon the roads for a period of time not exceeding two days in the year; or to substitute a road tax not exceeding two dollars a day for each day of statute labour required may be paid.

Fines are of course in the nature of a penalty, the incidence of these penalties falling in proportion to the non-conformity of the individual with the regulations, moral standards and prejudices of the community.

THE ABILITY OF LAND AND IMPROVEMENTS TO BEAR TAXATION—THE EXTENT OF ARREARS.

While the municipal levy on land and improvements is an exceedingly productive source of revenue, it is obvious that there must be some limit to the yield and there is every indication that this point has in fact been reached.

(98) See Table 115.

(99) See Table 112.

TABLE 116.
ASSESSED VALUES OF REAL PROPERTY WITHIN MUNICIPAL LIMITS, TAXABLE AND ACTUALLY TAXED.
(In thousands of dollars.)

	1. Taxable Land. Assessed Value of	2. Assessed Value of Taxable Improvements. (1)	3. Assessed Value of Taxable Land and Improvements (Column 1 plus 2).	4. Assessed Value of Land Actually Taxed.	5. Assessed Value of Improvements Actually Taxed.	6. Assessed Value of Land and Improve- ments Actually Taxed (Column 4 plus 5).	7. Percentage Ratio of Actual Land Taxed to Total Land Taxable (Column 4 as % of 1).	8. Percentage Ratio of Actual Improvements Taxed to Total Improvements Taxable (Column 5 as % of 2).	9. Percentage Ratio of Actual Land and Improvements Taxed to Total Land and Im- provements Taxable (Column 6 as % of 3).	10. Taxable Value Lost Through Partial Assessments of Improvements (Column 3 minus 6).
Vancouver.....	\$136,252	\$177,208	\$313,460	\$136,252	\$88,604	\$224,856	100.0	50.0	71.7	\$88,604
Cities (2).....	50,241	82,648	132,889	50,241	34,047	84,288	100.0	41.5	63.8	48,601
Districts.....	54,399	77,338	131,737	54,399	26,221	80,620	100.0	32.7	61.0	51,117
Villages.....	1,594	3,209	4,803	1,594	1,558	3,152	100.0	48.5	65.5	1,651
Totals.....	\$242,488	\$340,403	\$582,889	\$242,488	\$150,428	\$392,916	100.0	44.2	67.5	\$189,973

(1) Full assessed value of improvement properties legally taxable: Before taking into account the 75% statutory limitation on cities and districts and the 50% statutory limitation in the case of Vancouver and villages.

(2) Does not include Vancouver.

SOURCE: British Columbia: Annual Report, Department of Municipal Affairs, for the year ending December 31, 1936, p. Y 7.

TABLE 117.

THE MUNICIPAL LEVY ON LAND AND ON IMPROVEMENTS, 1936.

PART A.—CITIES, DISTRICTS, VILLAGES, AND VANCOUVER.

	Percent- age Assess- ment of Improvements.	Land Rate Base.	Improvements Rate Base.	WEIGHTED RATE.			Levy on Land.	Levy on Improvements.
				Land.	Improvements.	Land and Improvements.		
	%	\$	\$	Mills.	Mills.	Mills.	\$	\$
Cities	41.5	50,241,705	34,046,332	47.4274	43.1087	45.6830	2,382,832.65	1,467,693.60
Districts	32.7	54,399,785	26,219,794	32.6212	31.2418	32.1726	1,774,585.72	819,162.87
Villages	48.5	1,594,885	1,557,415	13.0029	14.3349	13.6610	20,738.16	22,325.39
Vancouver	50.0	136,252,300	88,603,901	41.633	41.633	41.633	5,672,592.01	3,688,846.21
All Municipalities	44.2	242,488,675	150,427,442	40.6235	39.8732	40.3363	9,850,748.54	5,998,018.07

TABLE 117—Continued.

THE MUNICIPAL LEVY ON LAND AND ON IMPROVEMENTS, 1936—Continued.

PART B.—CITIES (EXCLUDING VANCOUVER).

Municipality.	Percentage Improvements Taxed.	Land Rate Base.	Improvements Rate Base.	Rate.	Levy on Land.	Levy on Improvements.
	%	\$	\$	Mills.	\$	\$
Alberni	50	193,156	145,432	40.0 (25)	7,726.24	3,635.80
Armstrong	50	346,486	214,070	37.0	12,820.00	7,920.59
Chilliwack	20	731,625	291,510	55.0	40,233.88	16,033.05
Courtenay	50	440,021	330,285	32.0	14,080.67	10,569.12
Cranbrook	50	597,051	668,405	42.0	25,076.14	28,073.01
Cumberland	50	119,402	104,177	38.0	4,537.28	3,958.78
Duncan	20	452,475	165,150	39.0	17,646.53	6,440.85
Enderby	50	203,882	112,812	38.0	7,747.52	4,286.86
Fernie	55	330,739	573,623	50.0	16,536.95	28,681.15
Grand Forks	50	283,947	251,375	35.0	9,938.15	8,798.13
Greenwood	33½	40,860	26,122	64.0	2,615.04	1,671.81
Kamloops	50	1,935,536	2,020,127	40.0	77,423.44	80,805.08
Kaslo	50	169,216	120,875	40.0	6,768.64	4,835.00
Kelowna	33½	1,391,507	1,107,571	43.0	59,834.80	47,625.55
Ladysmith	50	92,804	70,627	30.0	2,784.12	2,118.81
Merritt	20	270,253	108,633	60.0	16,215.18	6,517.98
Nanaimo	Nil	2,167,783	Nil	55.0	119,228.07	.....
Nelson	50	1,675,256	1,949,565	35.0 (25.5)	58,633.96	49,713.91
New Westminster	Nil	8,161,550	Nil	56.0	457,046.80	.....
North Vancouver	35	2,784,679	1,315,081	54.0	150,372.67	71,014.40
Port Alberni	20	644,583	308,905	55.0 (35)	35,452.07	10,811.68
Port Coquitlam	25	683,110	160,543	55.0	37,571.05	8,829.90
Port Moody	25	608,260	103,157	40.0	24,330.40	4,126.80
Prince George	Nil	740,982	Nil	65.0	48,163.83	.....
Prince Rupert	25	2,400,235	896,904	50.0	120,011.75	44,845.20
Revelstoke	50	611,640	682,630	40.0	24,465.60	27,305.20
Rossland	50	432,250	367,850	60.0	25,935.00	22,071.00
Salmon Arm	50	283,046	249,740	43.0	12,170.98	10,738.82
Slocan	Nil	31,140	Nil	41.0	1,276.74	.....
Trail	50	1,453,125	1,873,810	37.0	53,765.63	69,330.98
Vernon	50	1,200,800	1,059,240	40.0	48,032.00	42,369.60
Victoria	65	18,764,256	18,768,113	45.0	844,391.52	844,565.09
All Cities	41.5	50,241,705	34,046,332	45.6830	2,382,832.65	1,467,693.60

Bracketed figures represent tax on improvements.

TABLE 117—Continued.

THE MUNICIPAL LEVY ON LAND AND ON IMPROVEMENTS, 1936—Continued.

PART C.—DISTRICTS.

Municipality.	Percentage Improvements Taxed.	Land Rate Base.	Improvements Rate Base.	Rate.	Levy on Land.	Levy on Improvements.
	%	\$	\$	Mills.	\$	\$
Burnaby.....	50	7,818,456	5,229,787	44.0	344,012.06	230,110.63
Chilliwack.....	20	3,353,657	436,307	22.0	78,780.45	9,598.75
Goldstream.....	<i>Nil</i>	669,852	<i>Nil</i>	34.5	23,109.89	.....
Coquitlam.....	<i>Nil</i>	1,023,016	<i>Nil</i>	40.0	40,920.64	.....
Delta.....	50	3,568,415	883,347	14.2	50,671.49	12,543.53
Esquimalt.....	50	1,192,529	788,710	40.0	47,701.16	3,154.84
Fraser Mills.....	50	142,730	319,939	12.0	1,712.76	3,829.67
Glenmore.....	50	145,645	114,872	19.0	2,767.26	2,182.57
Kent.....	<i>Nil</i>	780,410	<i>Nil</i>	22.0	17,169.02	.....
Langley.....	50	2,282,010	1,347,150	(A)	53,532.77	15,492.23
Maple Ridge.....	50	1,647,391	1,041,635	(B)	29,297.97	27,082.51
Matsqui.....	<i>Nil</i>	1,234,114	<i>Nil</i>	(C)	39,539.00	.....
Mission.....	50	703,011	2,588,819	(D)	17,812.00	71,268.00
North Cowichan.....	10	1,292,287	316,371	(E)	40,398.00	9,807.00
North Vancouver.....	35	2,616,197	841,391	61.0	159,588.02	51,324.85
Oak Bay.....	45	3,032,085	3,439,287	25.5	77,818.17	87,701.82
Peachland.....	.....	161,356	.....	(F)	6,270.00	.....
Penticton.....	20	1,714,333	734,740	48.0	82,287.98	35,267.52
Pitt Meadows.....	50	657,800	183,090	18.5	12,169.30	3,387.17
Richmond.....	50	4,561,166	1,577,648	20.0	91,223.32	31,552.96
Saanich.....	20	3,476,555	1,617,979	42.0	146,015.31	67,955.12
Salmon Arm.....	15	790,572	167,232	31.0	24,507.73	5,184.19
Spallumcheen.....	<i>Nil</i>	1,604,425	<i>Nil</i>	18.8	30,163.19	.....
Sumas.....	50	1,074,507	272,732	20.0	21,490.14	5,454.64
Summerland.....	<i>Nil</i>	1,098,903	<i>Nil</i>	36.0	36,320.51	.....
Surrey.....	30	4,838,932	1,230,834	26.0	125,812.23	32,001.68
Tadanac.....	50	190,831	3,087,924	37.0	7,060.75	114,253.19
West Vancouver.....	<i>Nil</i>	2,818,600	<i>Nil</i>	61.0	171,934.60	.....
All Districts.....	32.7	54,399,785	26,219,794	32.1726	1,774,585.72	819,152.87

	1936. Mills.		1936. Mills.
(A) Rate—Improved lands	21.0	(D) Rate—Improved lands	25.0
Wild lands	50.0	Wild lands	40.0
Improvements	11.5	(E) Improved lands—	
(B) For school purposes 50% of improvements are taxed.		North School District	31.0
For general purposes 10% of improvements are taxed.		Duncan Consolidated School District	30.6
Rate—Improved lands	25.75	(F) Rrte—Land	37.0
Wild lands	39.75	Fire Protection (certain buildings taxed 50%)	40.0
(C) Rate—Improved lands	29.0		
Wild lands	50.0		

NOTE.—Levy figures for municipalities for which rates are given under (A), (B), (C), (D), (E), and (F) were obtained through the courtesy of the Supervisor of Municipalities, British Columbia.

TABLE 117—*Continued.*THE MUNICIPAL LEVY ON LAND AND ON IMPROVEMENTS, 1936—*Continued.*
PART D.

Municipality.	Percentage Improvements Taxed.	Land Rate Base.	Improvements Rate Base.	Rate.	Levy on Land.	Levy on Improvements.
	%	\$	\$	Mills.	\$	\$
Abbotsford	50	112,120	124,710	12.0	1,345.44	1,496.52
Burns Lake	50	23,310	35,002	10.0	233.10	350.02
Chapman Camp						
Creston	50	171,440	144,426	12.0	2,057.28	1,733.11
Dawson Creek	50	19,080	67,881	15.0	286.20	1,018.22
Gibson's Landing	50	39,310	22,350	12.0	471.72	268.20
Hope	50	114,454	47,020	8.0	915.63	376.16
McBride	50	42,619	80,233	15.0	639.29	1,203.50
Mission	50	423,125	252,762	16.0	6,770.00	4,004.19
New Denver	50	20,110	38,005	10.0 (20.0)	201.10	760.10
Pouce Coupe	50	14,375	43,145	15.0	215.63	647.18
Quesnel	50	74,250	129,362	15.0	1,113.75	1,940.43
Silverton	50	15,665	27,487	10.0 (20.0)	156.65	549.74
Smithers	40	153,090	186,450	12.0	1,837.08	2,237.40
Stewart	50	190,412	111,938	10.0 (20.0)	1,904.12	2,238.76
Terrace	50	52,445	52,705	15.0	786.68	790.58
Tofino	50	18,642	37,900	10.0	186.42	379.00
Vanderhoof	50	30,938	48,307	14.0	425.57	676.30
Williams Lake	50	79,500	107,732	15.0	1,192.50	1,615.98
All Villages	48.5	1,594,885	1,557,415	13.6610	20,738.16	22,325.39

Bracketed figures represent tax on improvements.

SOURCE: British Columbia, Department of Municipal Affairs, Annual Report, 1936.

Table 118 shows the arrears of taxes owing at the end of the calendar year for each year from 1917 to 1936. In 1927 the arrears at the end of the year were \$3,631,703 and they increased almost every year until in 1934 they were \$12,585,898 for that year. In 1935 they were very slightly less and in 1936 the arrears were \$9,623,651.

Between 1935 and 1936 (as shown in Table 118) there was a reduction of \$2,436,959 in the outstanding cumulative arrears owing on account of the municipal levy. Of this total reduction, Vancouver was responsible for a consolidation based on land reverted to the municipality amounting to \$2,053,201, effected under the authority of the "Vancouver Tax Consolidation Act," 1936 (Second Session)¹⁰⁰ and the "Vancouver Tax Sale Relief Act," 1936.¹⁰¹ Various other municipalities effected consolidations of their outstanding cumulative arrears, most important of which were:

North Vancouver (District)	\$204,960
Burnaby	58,657
New Westminster	78,038
North Vancouver (City)	20,013

Table 119 shows that the levy of 1936 should have realized a total of \$17,104,740 and that of this \$13,680,016, or 79.98 per cent., was collected. The total amount uncollected for 1936 was \$3,424,724 or 20.02 per cent. The cumulative arrears of former years amounted to \$6,198,927, which, with the 1936 arrears, made the total amount of uncollected taxes as of December 31st, 1936, \$9,623,651. This is equivalent to 61.8 per cent. of the current levy for 1936.

Table 129 shows in detail the assessments of the municipality from 1917–35.

(100) British Columbia Statutes, 1936 (Second Session), Chapter 57.

(101) *Ibid.*, Chapter 58.

TABLE 118.

COMPARATIVE STATEMENT OF OUTSTANDING ARREARS OF TAXES 1917-36.⁽¹⁾

	1917.	1918.	1919.	1920.	1921.
Cities (including Vancouver)	\$10,640,763	\$11,545,060	\$9,987,973	\$7,092,235	\$5,603,110
Districts	3,037,463	3,079,636	2,097,910	1,340,800	1,361,025
Villages					
Totals	\$13,678,226	\$14,624,696	\$12,085,983	\$8,433,035	\$6,964,135
	1922.	1923.	1924.	1925.	1926.
Cities (including Vancouver)	\$4,756,195	\$4,104,219	\$3,741,659	\$3,202,186	\$2,760,852
Districts	1,301,807	1,445,460	1,532,925	1,317,779	1,169,074
Villages		3,572	4,031	8,241	7,018
Totals	\$6,058,002	\$5,553,251	\$5,278,615	\$4,528,206	\$3,936,944
	1927.	1928.	1929.	1930.	1931.
Cities (including Vancouver)	\$2,385,697	\$2,190,007	\$2,895,511	\$3,553,306	\$4,667,703
Districts	1,240,023	1,269,122	869,256	944,395	1,108,727
Villages	5,983	6,403	7,214	9,850	14,465
Totals	\$3,631,703	\$3,465,532	\$3,771,981	\$4,507,551	\$5,785,895
	1932.	1933.	1934.	1935.	1936.
Cities (including Vancouver)	\$7,019,386	\$9,216,385	\$10,756,715	\$10,574,084	\$8,418,667
Districts	1,542,491	1,870,917	1,811,191	1,467,114	1,187,084
Villages	19,728	18,190	17,992	19,412	17,900
Totals	\$8,581,605	\$11,105,492	\$12,585,898	\$12,060,610	\$9,623,651

(1) These arrears are cumulative.

SOURCE: British Columbia, Report of the Department of Municipal Affairs.

TABLE 119.

LEVIED, COLLECTED, AND UNCOLLECTED TAXES (AS AT DECEMBER, 31st, 1936).

	Total 1936 Tax Levy Adjusted.	Total 1936 Taxes Collected.	Per Cent. 1936 Taxes Collected.	Total 1936 Taxes Uncollected.	Taxes of Other Years Uncollected.	Total Taxes Uncollected as at December 31st, 1936.
Cities	\$4,183,847	\$3,324,507	79.46%	\$859,340	\$1,285,387	\$2,144,727
Districts	2,745,666	2,060,722	75.06	684,894	502,190	1,187,084
Villages	43,782	36,745	83.93	7,037	10,863	17,900
Vancouver (1)	10,131,445	8,257,992	81.51	1,873,453	4,400,487	6,273,940
Totals	\$17,104,740	\$13,680,016	79.98%	\$3,424,724	\$6,198,927	\$9,623,651

(1) From Comptroller's Report, April 27th, 1936.

SOURCE: British Columbia, Report of the Department of Municipal Affairs, 1936.

The influence of taxation in modifying land values is considerable. If this taxation on unproductive land, at a rate out of all proportion to the benefits which such property obtains from municipal services is continued, the value of such property will inevitably decline. As values decline and assessments are not reduced correspondingly the tax becomes relatively more onerous and the trend to lower values becomes accelerated. Eventually the present owners are deprived of their property, and such land reverts to the municipality and a portion of the rate base becomes lost.

THE CITY OF VANCOUVER.

The City of Vancouver operates by virtue of a special Charter and does not come within the jurisdiction of the "Municipal Act."

The population of Vancouver in 1931 was 246,593.¹⁰² The available rate base in 1936 amounted to \$313,460,102¹⁰³ (Vancouver assesses improvements for taxation purposes at 50 per cent. of their value). The receipts amounted to \$13,576,090 and the expenditures to \$14,228,270 resulting in a deficit of \$652,180.¹⁰⁴

In 1935 the City invited its creditors to consent to a refunding scheme. Pursuant to this announcement two separate investigations were made of the City's financial structure. The first investigation was conducted by Mr. Thomas Bradshaw an authority with a national reputation, whose appointment to that task was agreed upon by the Corporation of the City as well as the committee representing the bondholders. The report submitted by Mr. Bradshaw indicated, that while financial conditions were serious, the enforcement of certain remedial measures he recommended would enable Vancouver to meet its obligations, as well as set its financial house in order. Mr. Bradshaw's recommendations, in the main, were not acceptable to the civic authorities.¹⁰⁵

The second investigation was conducted by a group of Vancouver business men who recommended certain revisions in the assessment of real property values and the transfer of the cost of certain services to either the Province or the Dominion. The first recommendation was, in part, followed. The second was of course impossible of fulfilment until such time as the national, provincial and civic authorities could redefine their respective field of activities and revenue sources.

The valuation of taxable property in the City of Vancouver reached its peak in 1932 when the revised assessment roll, after making allowances for 50 per cent. taxation of improvements, showed taxable values of \$272,514,512.¹⁰⁶

Since 1932 assessments have steadily declined, and notwithstanding the reduction in taxable assessments, the City maintained the same tax rate in 1933 and 1934 as applied in 1932, namely 39.88 mills on the dollar, the resulting declines in net taxes being \$137,829 in 1933 and a further decline of \$699,609 in 1934. The application of the same rate in 1935 would have resulted in a further decline of approximately \$350,000, but the council, by By-law, reduced the net rate from 39.88 net to 37.886 net with a resulting decline of \$835,857. In 1936 the same reduced rate of 37.886 was applied to the reduced assessment of that year with a further resulting decline in revenue of \$813,509.¹⁰⁷

In 1935, by virtue of enabling statutory authority, no provision was made for 50 per cent. in the Annual Sinking Fund instalments for certain debentures; the amount deferred aggregating, in that year, \$492,277. In its budget for 1936 the council included in its revenues an item of \$666,344, representing arrears of taxes and deferred the levy of \$310,000 for unemployment relief, which would indicate a total shortage of \$976,344 in its current operation. The

(102) British Columbia, Department of Municipal Affairs, Annual Report, 1935.

(103) *Ibid.*

(104) *Ibid.*

(105) British Columbia, Department of Finance (Treasury Branch), October, 1936, "British Columbia Municipalities."

(106) *Ibid.*

(107) *Ibid.*

council also deferred the levy for the full amount of Annual Sinking Fund instalments (of which 50 per cent. had been deferred in 1935) amounting to approximately \$980,000.¹⁰⁸

During the period 1930-1935 arrears of taxes increased from \$2,285,317 to \$8,102,914 (exclusive of interest on consolidated arrears amounting to \$224,226) or by \$5,817,597. Tax sale property (representing unpaid taxes) increased from \$2,000,328 to \$2,631,384 or by \$631,056 making the aggregate increase in unpaid taxes \$6,448,653.¹⁰⁹

No tax sales were held by the City in either 1934 or in 1935 although preliminary steps for a sale were taken in 1934. By 1935 the number of properties liable to sale amounted to 12,334 involving approximately \$750,000 in the "upset" price.¹¹⁰

Vancouver's debt (including the late districts of South Vancouver and Point Grey) amounted to, at the end of 1935, \$67,265,146 to which sum should be added bank loans amounting to \$4,953,352 contracted for capital purposes and secured by pledging unsold debentures, and resulting in a gross total liability of \$72,218,498.¹¹¹

As at December 31, 1935, a shortage of \$8,546,972 was recorded for the Sinking Fund.¹¹²

The plight of Vancouver, while aggravated by certain special circumstances, is in the main typical of the condition in which so many Western municipalities find themselves. While their present position may be in part the result of unfounded optimism in the past, there can be but little doubt that the municipalities of British Columbia, like those of other Western Provinces, are today possessed of burdensome responsibilities incompatible with the sources of revenue at their disposal.

CONCLUSION.

From this outline it can be seen that the municipalities in British Columbia are responsible for many important services of a costly nature to the community. The main source of revenue of the municipalities is the tax on real property. The conditions of development of a new community have caused this source of revenue to be somewhat uncertain and difficult. Burdens have been placed on the owner of property, through heavy taxation, which might be argued to be the responsibility of the community at large rather than of the property owner. Further, the financial difficulties of the Provincial Government led, in 1933, to a curtailment of the income of the municipalities through the withdrawal of their share of profit from liquor sales and the pari-mutuel tax. Grants in aid of education were also reduced, although these have since been partially restored. The position of the municipalities is undoubtedly a difficult one. They are the creations of the Province, and in that sense are part of the machinery of the Provincial Government; consequently, the problem of readjustment is a domestic one. However, it must be kept in mind that the disabilities of the municipalities are, to a large extent, due to the financial difficulties of the Provincial Government. These financial difficulties have made it impossible for the Provincial Government to give the relief to the

(108) *Op. cit.*

(109) *Ibid.*

(110) *Ibid.*

(111) *Ibid.*

(112) *Ibid.*

municipalities which they require. Removal of the financial difficulties of the Provincial Government would make it possible for an internal readjustment to be made so as to ease the burden of the municipalities.

DELINQUENT LAND TAXES IN UNORGANIZED TERRITORY.

In order to complete the picture regarding delinquent taxes the following information is given as to the situation in unorganized territory. Table 120 shows the delinquent taxes on land in extra-municipal territory from 1919 to 1937 for fiscal years. These arrears are cumulative. School taxes and all other land taxes are shown separately and totals are given.

There is difficulty in comparing different years due to the fact that in certain years tax sales have been held, and in other years have not, as follows:

Years in which Tax Sales were held.—1918, 1919, 1920, 1921, 1922, 1924, 1925, 1926, 1927, 1928, 1929, 1930, and 1931.

Years in which Tax Sales were not held.—1923, 1932, 1933, 1934, 1935, 1936, and 1937.

Land which has been sold at tax sale, or has reverted, is held on the assessments rolls for one year after the year of tax sale to allow of possible redemption by the original owner. Throughout the war there were no tax sales until 1918 when many arrears were liquidated: however, these arrears still show one year later, 1919, on the rolls, but have been taken off by 1920. There have been no tax sales since 1931 which explains the increasing arrears of recent years.

Taxes are placed on land in unorganized territory by the Provincial Government for a variety of purposes. The following is a list of the different taxes falling on land.

School tax.

Farm land tax.

Improved land tax.

Wild land tax.

Timber land tax.

Coal land, Class A, tax.

Coal land, Class B, tax.

Acreage tax on mineral claims.

Special land tax.

Special 2-mill tax on personal property, for school purposes, when situated outside rural school district.

Noxious weeds penalty.

Codling-moth control tax.

Spraying charges.

Drainage and ditching taxes.

Seed grain account.

Grasshopper control.

Railway right-of-way.

E. & N. Land Payment.

Plant protection.

In both Tables 120 and 121 the tax for school purposes is shown separately. (This does not include the special 2-mill tax on personal property.) All other charges against land are shown in the first column of these Tables.

Tables 121 and 122 show, for calendar years, the situation as regards land tax arrears from 1927-1936 in greater detail. The assessment roll is constantly being changed, reinstatements are taking place, assessments are being modified on appeal, etc.

TABLE 120.

THE TOTAL DELINQUENT TAXES IN UNORGANIZED TERRITORY CARRIED ON THE ASSESSMENT ROLLS OF THE PROVINCE.

(Fiscal Years 1918-19 to 1936-37, inclusive.)

Year.	Land Taxes.	School Taxes.	Total.
1919	\$4,228,361.86	\$190,031.09	\$4,418,392.95
1920	2,505,078.63	85,476.52	2,590,555.15
1921	1,854,894.00	109,794.00	1,964,688.00
1922	1,743,396.90	165,665.31	1,909,062.21
1923	2,030,665.73	183,203.78	2,213,869.51
1924	2,071,720.12	274,852.77	2,346,572.89
1925	2,422,355.66	319,140.64	2,741,496.30
1926	2,218,056.28	306,487.27	2,524,543.55
1927	1,389,793.40	283,589.58	1,673,382.98
1928	713,687.00	235,561.76	949,248.76
1929	620,645.01	239,317.51	859,962.52
1930	597,453.20	238,437.85	835,891.05
1931	613,707.29	285,789.34	899,496.63
1932	621,077.20	369,606.80	990,684.00
1933	827,683.48	498,717.49	1,326,400.97
1934	1,133,651.96	669,179.01	1,802,830.97
1935	1,346,082.54	742,855.26	2,088,937.80
1936	1,622,308.65	851,772.23	2,474,080.88
1937	1,803,505.62	932,557.48	2,736,063.10

NOTE.—The large figure for 1919 is explained by the fact that no tax sales were held for a number of years prior to 1918, and, as reverted lands remain on the rolls for a period of one year, it is still shown in 1919.

SOURCE: British Columbia, Department of Finance, Statement of Taxation Branch.

TABLE 121.

LAND TAXES IN UNORGANIZED TERRITORY.

STATEMENT OF TAXES SHOWING LEVY, COLLECTIONS, IRRECOVERABLES, AND BALANCES, CALENDAR YEARS 1927-1936.

Year.	LEVY.		COLLECTIONS.		IRRECOVERABLES WRITTEN OFF.		BALANCE AT DEC. 31 IN EACH YEAR.	
	Arrears.	Current.	Arrears.	Current.	Arrears.	Current.	Arrears.	Current.
1927	\$1,380,049.09	\$2,357,637.89	\$307,919.86	\$1,931,053.03	\$651,234.92	\$76,693.24	\$420,894.31	\$349,891.57
1928	796,005.26	2,237,956.82	266,966.40	1,901,819.77	173,806.08	43,169.19	355,232.78	292,967.86
1929	657,592.16	2,225,197.00	218,910.91	1,903,080.41	120,363.10	27,141.19	318,318.15	294,975.40
1930	651,523.45	2,273,023.31	194,939.07	1,931,063.17	111,697.70	29,491.00	344,886.68	312,469.14
1931	664,260.57	2,238,850.00	191,505.88	1,864,266.06	131,975.29	27,365.15	340,789.40	347,218.79
1932	678,435.13	2,436,529.81	160,291.24	1,898,320.86	125,967.86	26,192.57	372,176.03	512,656.38
1933	894,448.73	2,194,855.64	200,026.15	1,677,694.55	19,079.35	1,536.15	675,342.93	515,623.94
1934	1,185,337.39	2,181,473.71	239,173.41	1,686,414.76	20,071.50	4,153.59	926,092.48	490,905.36
1935	1,416,907.69	2,176,201.78	228,507.48	1,673,696.12	6,774.47	1,686.67	1,181,625.64	500,818.99
1936	1,605,321.26	2,090,551.74	272,538.62	1,624,913.17	7,886.11	1,762.53	1,324,896.53	463,870.04

SOURCE: British Columbia, Department of Finance, Statement of Taxation Branch.

TABLE 122.

SCHOOL TAXES IN UNORGANIZED TERRITORY.

STATEMENT OF SCHOOL TAXES SHOWING LEVY, COLLECTIONS, IRRECOVERABLES, AND BALANCES, CALENDAR YEARS 1927-1936.

Year.	LEVY.		COLLECTIONS.		IRRECOVERABLES WRITTEN OFF.		BALANCE AT DEC. 31 IN EACH YEAR.	
	Arrears.	Current.	Arrears.	Current.	Arrears.	Current.	Arrears.	Current.
1927	\$311,709.28	\$567,000.38	\$122,103.52	\$416,349.62	\$59,081.65	\$9,908.38	\$130,524.11	\$140,742.38
1928	289,921.23	577,302.70	149,952.42	441,647.80	19,134.61	4,680.28	120,834.20	130,974.62
1929	266,298.77	613,306.71	131,419.20	471,985.99	16,280.31	4,860.39	118,599.26	136,460.33
1930	274,449.75	692,012.00	125,576.48	506,211.13	25,862.58	6,135.00	123,010.69	175,665.87
1931	319,917.20	733,261.67	137,272.28	526,170.47	21,092.18	8,016.60	161,552.74	199,074.60
1932	405,040.24	718,551.29	137,854.29	445,332.30	25,921.01	9,637.09	241,234.94	263,581.90
1933	531,236.26	710,344.10	135,104.86	407,770.26	6,228.19	1,855.75	389,903.21	300,718.09
1934	710,976.28	657,266.59	193,049.66	390,357.29	11,433.42	2,815.66	506,493.20	264,093.64
1935	791,151.63	705,513.61	175,268.98	421,071.09	12,098.01	2,234.70	603,784.64	282,207.82
1936	896,226.31	721,655.31	202,218.34	444,318.86	6,806.50	1,322.21	687,201.47	276,014.24

SOURCE: British Columbia, Department of Finance, Statement of Taxation Branch.

The item "irrecoverables written off" represents consolidation and liquidation of arrears through tax sale, etc. In 1927 arrears amounting to \$710,316.57 were written off as irrecoverable.¹¹³ This amount is greater than for any other year because for a period of years immediately prior to 1926 there had been a moratorium in effect by which returned soldiers might not be deprived of their property by reason of delinquent taxes. Many such soldiers had purchased land conditionally under the "Soldiers' Land Act" and had fallen behind in their payments. These arrears were liquidated in 1926 but the arrears remained on the rolls for 1927.

(113) See Tables 121 and 122.

TABLE 123.
EXPENDITURE OF THE PROVINCE OF BRITISH COLUMBIA, 1871-1937.

EXPENDITURE OF THE PROVINCE OF BRITISH COLUMBIA, 1871-1892.																								
	1871 (1)	1872.	1873	1874.	Jan. 1 to Dec. 31, 1875.	Jan. 1 to Dec. 31, 1876.	Jan. 1 to Dec. 31, 1877.	Jan. 1 to Dec. 31, 1878.	6 Months to June 30, 1879.	July 1 to June 30, 1879-1880.	1880-1881.	1881-1882.	1882-1883.	1883-1884.	1884-1885.	1885-1886.	1886-1887.	1887-1888.	1888-1889.	1889-1890.	1891-1892.	1892-1893.		
Agriculture	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Cost of Financial Administration	6,631.19	9,258.45	12,354.94	10,601.08	2,110.40	1,755.00	1,325.40	369.00	5,339.10	17,436.62	16,667.47	13,655.11	14,118.03	15,677.30	19,759.30	21,214.63	16,781.15	19,277.13	24,545.71	27,415.61	34,342.16	35,949.72		
Conservation of Natural Resources	2,924.16	6,248.92	3,484.50	5,745.41	4,719.31	3,410.05	1,099.00						2,809.85	5,405.44	4,163.49	4,912.56	4,856.37	4,932.53	4,412.15	2,441.75	2,298.56	6,147.83		
Forestry Protection																								
Other	6,917.28	11,371.49	32,332.55	31,495.95	14,302.20	19,268.44	3,913.28	1,055.92	2,026.36	2,495.10	1,294.99	2,399.92	7,729.69	6,993.40	7,569.82	12,804.71	8,546.95	2,235.65	7,631.28	24,254.23	61,256.72	65,535.14		
Correctional Institutions																								
Education									21,249.95	44,888.05	44,816.30	46,345.24	47,693.75	56,372.56	68,288.97	76,170.11	97,025.00	99,371.98	102,159.32	116,036.69	120,852.29	152,982.25		
Teachers' Salaries																								
U.B.C.	39,425.78	39,999.89	39,768.29	35,891.42	44,620.11	47,129.63	49,787.74	1,816.75	3,919.65	4,619.90	10,895.15	12,221.74	12,703.95	14,081.03	21,141.98	21,901.62	19,129.53	24,312.32	49,312.04	63,801.97	65,850.85	36,285.11		
General																								
Public Schools Act																								
Fisheries and Game	68,858.84	10,981.46	47,252.95	57,445.21	47,108.58	64,404.36	64,194.65	24,610.55	37,303.39	42,071.10	38,728.04	43,497.24	45,468.22	61,161.24	60,549.68	52,241.33	64,648.28	64,893.58	77,899.00	108,677.12	107,065.83	123,401.65		
General Administration																								
Health and Welfare																								
Hospitals and Charities	7,799.16	7,592.16	8,077.81	16,669.94	13,766.89	13,616.18	12,337.14	5,121.81	11,176.67	10,068.36	10,103.78	11,432.05	12,984.65	14,561.48	16,833.72	16,411.77	16,117.63	16,703.13	15,228.52	26,899.46	22,513.19	22,397.92		
Mental Hospitals																								
Tubercular Sanatorium																								
Grants to Hospitals	480.97	205.75	517.75	221.60	215.00				17,409.42	15,482.12	15,573.94	16,441.33	16,521.24	16,554.08	20,090.50	20,090.50	20,090.50	49,000.00	25,000.00	49,000.00	25,000.00	39,821.97		
General									204.00	430.75	200.10	1,295.89	821.00	997.50	423.00	2,407.00	624.00	655.70	950.00	1,013.99	1,179.21	1,179.21		
Justice																								
Police	106,025.74	62,970.96	66,192.66	63,132.01	70,191.42	74,473.17	67,891.40	26,142.23	32,439.96	68,711.21	65,496.72	74,132.83	95,375.48	91,472.20	129,332.25	111,966.08	107,651.94	107,804.86	106,936.68	121,542.23	124,269.67	165,127.54		
General	9,775.61	9,716.51	11,079.81	11,079.81	11,079.81	11,079.81	11,079.81	11,079.81	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00	7,599.00		
Lands, Forests, and Water	4,286.66	5,272.85	3,581.65	4,472.80	2,577.54	7,105.51	12,225.48	1,153.04	9,546.66	1,779.19	1,643.90	1,759.77	1,759.77	1,759.77	1,759.77	1,759.77	1,759.77	1,759.77	1,759.77	1,759.77	1,759.77	1,759.77		
Mines									9,651.46	6,957.23	8,424.34	9,469.31	1,649.20	1,649.20	1,649.20	1,649.20	1,649.20	1,649.20	1,649.20	1,649.20	1,649.20	1,649.20		
Miscellaneous	176,517.33	227,712.43	7,984.62	10,467.99	16,173.87	12,411.11	7,091.62																	
Municipalities (direct grants)																								
Penitentiary and Relief	989.00	300.00							860.20	1,060.00	909.00													
Public Debt	12,194.89	688.18	543.73	8,852.50	14,812.92	44,316.56	127,409.94	57,494.86	82,085.93	61,664.50	81,290.85	68,190.21	76,820.63	61,243.77										
Public Works	151,273.97	109,231.45	230,454.40	209,889.33	230,556.57	297,866.41	86,466.59	20,227.69	97,697.07	67,329.26	76,818.22	189,715.32	175,742.78	173,845.71	214,169.74	184,467.86	179,724.74	184,077.76	204,692.32	186,269.78	201,146.79	251,095.50		
Roads, Bridges, and Wharves																								
Terraces	26,307.58	74,287.36	71,868.14	87,599.16	123,807.65	84,293.91	25,243.41	9,457.02	24,424.17	16,574.26	84,699.85	164,208.48	31,427.37	65,463.74	83,169.34	36,871.01	42,025.76	39,825.37	129,239.70	89,696.61	61,749.55	272,144.28		
General	1,820.24	1,018.66	1,110.65																					
Public Services																								
Railways																								
Total Expenditure	97,691.81	684,268.98	376,574.15	583,365.89	587,310.85	695,841.75	641,396.34	507,321.95	187,769.42	414,681.19	376,217.77	470,665.83	589,779.47	552,998.21	643,071.21	765,200.36	687,432.82	776,344.26	845,069.13	937,199.53	1,021,449.83	1,123,596.62	1,162,405.54	
Less: Amounts not included in Public Accounts but included in Analysis:																								
Liquor profits distributed direct																								
Difference between gross and net—Rural District																								
School Tax																								
Personal Taxes distributed direct																								
Plus: Amounts included in the Public Accounts but not included in Analysis:																								
Discount on debentures sold									267.10	681.25	846.90	1,531.83	1,634.67	1,223.45	1,638.84	1,761.47	1,408.27	3,821.57	3,884.50	3,151.83	6,761.61	4,263.13	8,766.37	
Various items now effect against expenditure																								
Domestic Grants																								
Technical Education																								
Labour Subvention																								
Veterinary Disease																								
Refund of Capital Expenditure by sale of Bonds									2,047.66	1,929.24	2,897.93	3,696.77	6,881.97	4,693.18										
Interest earned on Sinking Funds																								
Land Settlements at Deficit Paid from Revenue																								
Capital Receipts from Industrial Development Fund																								
Total Expenditure—as per Public Accounts	97,691.81	684,268.98	376,574.15	583,365.89	587,310.85	695,841.75	641,396.34	507,321.95	187,769.42	414,681.19	376,217.77	470,665.83	589,779.47	552,998.21	643,071.21	765,200.36	687,432.82	776,344.26	845,069.13	937,199.53	1,021,449.83	1,123,596.62	1,162,405.54	

(1) Detailed Expenditure for 1871 not available.

TABLE 123—Continued.
EXPENDITURE OF THE PROVINCE OF BRITISH COLUMBIA, 1871-1937—Continued.

	1893-1894.	1894-1895.	1895-1896.	1896-1897.	1897-1898.	1898-1899.	1899-1900.	1900-1901.	1901-1902.	1902-1903.	1903-1904.	1904-1905.	1905-1906.	1906-1907.	1907-1908.	9 Months, July 1 to March 31, 1908-1909.	April 1 to March 31, 1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915.
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Agriculture	15,689.28	38,418.93	16,985.62	15,119.05	18,881.60	25,167.18	21,959.45	33,175.26	42,407.62	39,639.83	36,074.99	47,490.31	22,849.50	43,325.23	55,472.23	65,475.62	100,498.59	167,610.14	227,561.56	359,279.85	517,852.40	513,641.21
Cost of Financial Administration	31,919.51	40,882.42	37,720.15	40,044.21	51,796.60	75,702.41	72,383.69	72,802.60	80,120.83	91,640.61	14,774.06	85,359.17	89,644.92	135,353.17	128,746.62	110,299.17	102,685.19	164,141.10	185,155.25	248,919.62	216,425.22	145,736.75
Colonization, Immigration, and Publicity	10,629.03	11,571.15	11,364.95	10,221.46	10,349.99	9,527.77	6,574.60	7,607.65	12,526.31	17,323.41	16,264.56	13,795.16	1,187.68	10,773.56	24,737.05	14,923.09	26,472.92	55,125.91	71,520.25	65,746.96	74,920.79	93,777.06
Conservation of Natural Resources:																						
Forest Protection																						
Other	56,760.71	29,359.58	30,982.63	22,914.93	22,869.04	16,104.66	7,321.34	17,671.33	21,212.69	12,444.94	6,171.31	6,534.03	8,142.95	26,376.79	78,232.45	191,373.62	233,448.73	420,507.54	855,460.76	919,184.91	725,952.41	
Correctional Institutions	1,090.00	1,090.00	500.00		455.00	819.14	1,140.00	1,390.00	1,420.00	1,740.00	2,109.00	2,107.00	3,120.00	3,127.00	4,380.00	4,010.00		6,376.95	7,439.10	7,439.10	9,012.80	
Education:																						
Teachers' Salaries	157,886.79	177,149.46	194,670.67	210,734.30	234,562.22	256,156.04	275,157.17	239,257.04	312,934.32	371,748.92	366,701.19	405,927.97	307,851.54	390,027.14	412,105.79	340,849.14	810,592.71	604,922.90	724,659.72	955,771.71	1,097,773.25	
U.B.C.																						
General	39,053.76	31,696.96	39,330.45	28,828.25	54,883.64	57,725.67	37,477.82	55,965.59	97,276.78	105,106.47	67,540.50	61,619.46	57,328.40	55,148.22	65,167.64		281,676.94	391,164.00	425,603.78	588,000.00	1,073,624.00	
Public Schools Act																						
Performances and Games																						
General Administration	164,718.09	143,293.72	137,746.40	123,768.14	166,144.85	175,291.11	157,032.72	210,057.34	191,588.81	184,656.27	220,769.95	122,763.92	175,895.82	227,783.88	297,023.20	497,000.14	403,409.31	507,616.52	614,361.43	729,247.99	625,469.15	
Health and Welfare	7,615.54	6,983.26	11,911.10	13,351.98	17,873.60	7,201.08	14,349.61	31,693.88	36,617.74	26,811.77	21,477.63	18,029.24	15,816.65	17,567.24	22,670.31	15,894.05	31,651.37	29,167.23	39,901.84	33,180.17	47,291.88	
Hospitals and Charities:																						
Mental Hospitals	24,928.44	26,850.50	32,078.55	33,951.04	39,176.44	53,804.40	56,734.31	67,768.65	45,446.91	52,231.05	67,617.34	63,731.45	64,892.84	66,613.51	63,916.90	76,429.49	55,651.02	105,555.46	208,143.52	227,992.49	255,957.47	
Tubercular Sanatorium																						
Grants to Hospitals	36,389.69	35,000.00	45,900.00	36,109.00	36,500.00	41,500.00	41,852.58	73,132.06	71,992.55	65,759.16	104,911.25	79,971.00	88,062.75	117,951.50	161,620.82	135,738.40	153,249.79	240,592.74	296,650.21	229,519.19	363,410.95	
General	4,695.17	9,881.66	11,168.82	13,764.73	15,970.84	22,517.08	19,046.67	24,046.13	20,879.45	31,884.54	23,656.85	24,856.70	22,605.11	24,279.10	26,911.85	28,518.32	33,124.84	45,089.88	44,326.55	85,895.05	65,653.07	
Judicial:																						
Police	25,035.86	36,528.67	59,484.27	71,467.54	97,702.85	87,909.22	79,165.44	82,391.24	95,980.04	96,263.82	95,307.41	94,506.46	127,225.94	164,744.23	134,842.80	109,138.28	109,379.63	169,507.58	294,136.88	333,567.37	301,011.21	
General	180,512.54	176,878.59	148,959.70	162,722.17	189,348.61	119,350.69	146,272.17	149,413.17	142,145.10	140,863.69	148,814.55	149,457.08	120,577.19	142,106.44	155,176.10	221,365.42	218,212.54	267,021.19	368,425.76	572,075.99	411,369.46	
Lands, Forests, and Water	24,225.28	26,188.85	26,670.50	22,621.38	24,408.74	34,610.95	17,446.18	15,112.75	41,169.44	38,777.83	17,229.19	44,459.45	26,116.83	54,082.98	51,394.17	97,925.94	126,993.54	129,493.67	172,974.15	325,000.00	45,769.97	
Mines	3,981.26	4,664.02	7,855.35	8,497.66	11,506.77	30,500.19	25,619.92	35,114.18	66,165.01	43,629.97	42,847.08	39,339.84	70,412.55	42,946.95	35,469.60	58,601.75	64,742.80	65,713.05	111,469.10	92,714.85	104,718.84	
Miscellaneous	23,907.15	46,195.82	29,116.21	33,315.35	35,976.46	43,641.71	15,278.56	43,738.80	14,215.61	12,266.62	64,470.80	41,666.77	45,671.84	37,679.95	78,622.62	83,465.58	86,905.56	90,759.90	111,281.69	217,447.62	174,701.04	
Municipalities (direct grants)	600.00	7,078.35	1,888.00		4,877.55		24,657.00	10,432.10														
Pensions and Relief	1,600.00	610.00	2,725.00	540.00	2,100.00	1,940.00	1,687.35	2,065.00	2,760.00		5,650.00	5,605.00	3,150.00	4,915.00	2,385.00	7,200.00	5,410.00	11,800.00	20,667.00	24,000.00	31,712.00	
Public Debt	266,295.91	405,791.39	264,335.32	262,385.82	271,122.26	297,075.51	448,930.29	352,912.93	397,074.74	599,114.74	687,672.92	670,277.47	651,621.62	654,762.96	1,179,014.94	268,722.91	570,797.93	475,968.97	461,941.62	475,711.34	416,929.62	
Public Works:																						
Roads, Bridges, and Wharves	262,177.77	422,031.34	234,882.91	272,106.63	341,881.70	595,684.55	719,328.30	679,587.24	702,732.17	1,095,343.62	666,669.20	376,886.92	339,711.10	556,115.46	849,886.40	1,163,020.27	1,995,189.21	1,056,114.73	2,523,474.04	4,790,461.24	5,114,141.96	
Ferries	2,700.00	4,698.00	3,072.23	2,975.00	6,635.95	5,119.96	4,000.00	4,774.50	8,696.10	11,097.92	10,676.02	8,127.30	11,294.72	11,097.27	16,382.97	16,262.16	16,262.16	16,262.16	16,262.16	16,262.16	16,262.16	
General	1,626.63	281,227.21	335,139.15	216,339.41	350,702.11	229,617.77	186,850.52	224,901.55	146,779.67	206,510.08	185,569.29	112,449.40	155,011.67	144,229.16	84,601.56	741,229.16	875,129.94	2,562,212.82	2,677,494.12	7,545,712.27	1,741,269.52	
Public Services	1,265.85	4,127.03	3,774.87	4,094.74	6,563.25	4,929.34	6,432.20	6,530.64	12,341.35	13,827.05	19,729.18	19,223.43	16,772.21	16,676.48	24,236.07	18,909.07	14,216.90	26,322.95	44,161.18	60,935.29	82,295.92	
Railways																						
Total Expenditure	1,561,937.47	1,941,846.41	1,656,046.10	1,607,804.76	2,043,841.75	2,221,208.21	1,900,790.73	2,355,852.45	2,601,322.61	3,450,485.78	2,919,295.43	2,109,440.13	2,812,180.57	3,612,681.06	4,385,063.96	3,854,176.46	6,448,054.29	8,156,124.47	11,643,163.41	15,701,061.94	15,656,729.07	
Less: Amounts not included in Public Accounts but included in Analysis:																						
Major profits distributed direct																						
Difference between gross and net—Rural District School Tax																						
Various items now offset against expenditure (Municipal Grants)	7,614.50	11,252.69	16,215.12	28,293.41	24,181.98	21,581.39	22,406.81	24,050.90	27,632.46	39,776.85	49,144.04	36,027.69	15,445.93	72,564.68	107,559.76	62,114.63	112,774.64	174,228.08	187,657.49	181,657.07	177,417.70	
Plus: Amounts included in the Public Accounts but not included in Analysis:																						
Discount on debentures sold																						
Technical Education																						
Labour Subvention																						
Voc. and Dis. case																						
Railways																						
Refund of Capital Expenditure by sale of Bonds																						
Interest earned on Sinking Funds	23,089.52	19,117.14	19,148.12	17,006.00	19,123.43	22,087.00	24,724.84	27,889.24	31,214.81	36,218.10	40,503.00	49,994.05	61,542.13	57,659.61	47,452.40	25,918.64	66,145.46	61,923.85	67,946.11	75,197.36	88,477.64	
Land Settlement Deficit Paid from Revenue																						
Capital Receipts from Industrial Development Fund																						
Total Expenditure as per Public Accounts	1,594,057.89	1,972,336.14	1,701,309.34	1,635,994.77	2,087,147.14	2,284,976.60	1,947,412.38	2,409,692.32	2,654,669.93	3,585,460.93	3,036,217.47	2,275,974.17	2,820,147.69	3,742,796.05	4,641,670.74	3,937,217.63	6,616,765.91	8,792,229.38	11,566,767.04	15,626,984.16	16,	

TABLE 123—Continued.
EXPENDITURE OF THE PROVINCE OF BRITISH COLUMBIA, 1871-1937—Continued.

	1915-1916	1916-1917	1917-1918.	1918-1919.	1919-1920	1920-1921	1921-1922	1922-1923	1923-1924	1924-1925	1925-1926.	1926-1927.	1927-1928.	1928-1929	1929-1930	1930-1931	1931-1932.	1932-1933	1933-1934	1934-1935	1935-1936	1936-1937
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Agriculture	227,936.19	199,185.67	261,140.03	288,228.19	264,607.16	832,862.71	487,291.17	424,416.61	416,594.37	464,776.37	446,701.89	467,319.11	446,312.90	624,739.07	532,513.37	627,641.65	462,825.62	305,728.76	274,089.61	232,584.12	284,619.05	328,253.61
Cost of Financial Administration	170,172.79	169,468.06	194,689.12	229,259.70	336,638.59	324,192.56	564,063.16	677,167.94	829,421.21	774,466.69	794,164.68	651,618.60	710,130.10	718,766.30	770,760.17	762,257.27	742,063.76	710,001.88	716,795.92	723,569.91	745,451.59	745,451.59
Colonization, Immigration, and Publicity	64,454.92	10,461.75	30,919.35	50,124.83	46,218.22	13,665.26	16,297.32	67,092.28	100,619.26	67,745.65	66,780.43	64,077.14	71,566.24	136,819.67	110,929.19	110,929.19	71,791.72	19,609.67	20,562.56	32,644.87	52,477.21	52,477.21
Conservation of Natural Resources:																						
Forest Protection	116,210.03	104,668.33	134,792.09	117,889.76	189,816.89	824,726.46	418,267.47	442,316.46	491,764.04	660,210.51	578,156.02	372,274.97	371,829.64	365,030.43	940,800.00	698,895.50	647,821.81	260,228.24	140,317.37	188,221.73	379,927.21	767,149.16
Other	282,255.26	210,664.26	190,724.76	202,967.60	324,317.81	637,996.73	679,205.36	648,246.16	481,496.15	359,729.63	484,164.45	384,946.83	385,709.64	610,715.13	610,715.13	610,715.13	610,715.13	610,715.13	610,715.13	610,715.13	610,715.13	610,715.13
Other	30,800.25	31,476.19	35,355.44	65,097.92	66,716.14	73,416.37	93,914.19	164,164.73	110,241.69	116,972.39	105,232.79	105,776.79	126,813.82	116,651.88	116,644.76	119,375.48	160,189.56	42,997.23	72,067.78	53,321.94	65,014.51	49,229.69
Correctional Institutions																						
Education:																						
Teachers' Salaries	1,174,245.80	1,221,069.95	1,278,842.18	1,384,405.45	1,464,566.41	1,626,650.25	1,782,711.38	1,927,067.41	2,056,869.37	2,054,111.85	2,104,377.78	2,190,589.34	2,269,134.59	2,310,650.61	2,302,873.30	2,301,084.40	2,367,054.87	1,553,810.66	2,132,470.48	2,085,995.64	2,219,187.48	2,219,187.48
U. B. C.	175,008.00	208,000.00	228,000.00	271,578.92	388,000.00	429,000.00	416,000.00	444,000.00	445,000.00	441,000.00	449,488.82	530,000.00	537,500.00	546,000.00	603,000.00	603,000.00	603,000.00	603,000.00	603,000.00	603,000.00	603,000.00	603,000.00
General	577,423.55	641,579.01	371,924.46	300,630.30	416,281.36	970,170.52	890,724.09	631,429.63	522,183.36	517,009.45	604,567.41	771,104.37	573,261.60	693,842.89	503,810.70	604,524.10	39,453.77	364,315.98	474,911.18	537,426.15	537,426.15	537,426.15
Public Schools Act	59,663.56	162,515.76	191,080.49	46,653.17	64,429.58	60,449.35	160,164.45	81,883.95	64,429.58	134,526.33	206,072.12	206,072.12	206,072.12	206,072.12	214,450.39	214,450.39	214,450.39	214,450.39	214,450.39	214,450.39	214,450.39	214,450.39
Fisheries and Game	57,512.37	74,076.62	447,886.72	580,796.21	654,095.07	1,027,568.17	769,669.52	586,381.42	571,972.42	475,571.22	625,562.32	525,339.44	470,482.31	607,262.10	624,800.48	664,062.08	635,979.78	674,912.31	663,941.94	654,846.28	612,266.23	612,266.23
Game Administration	35,797.39	78,709.49	31,481.96	100,630.40	67,605.86	67,605.86	101,250.35	102,297.78	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35	101,250.35
Health and Welfare																						
Hospitals and Charities:																						
Mental Hospitals	247,467.24	261,799.23	302,155.66	377,227.74	465,510.90	546,420.23	631,282.23	624,538.25	522,459.21	666,211.21	602,865.22	614,801.45	611,705.26	728,889.11	742,625.26	893,385.77	769,432.02	441,445.36	646,882.27	664,066.67	664,066.67	664,066.67
Tubercular Sanatorium	30,826.65	30,957.30	36,367.35	75,000.00	75,000.00	60,000.00	132,318.66	163,461.06	125,820.98	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71	166,103.71
General	232,662.56	319,678.26	317,236.45	491,968.72	498,118.13	412,737.05	416,847.65	446,879.95	616,483.65	629,567.65	626,811.66	622,235.91	601,162.64	1,219,011.56	995,830.80	962,576.68	954,079.55	885,893.91	951,613.66	940,266.69	1,072,560.66	1,072,560.66
Grants to Hospitals	97,389.79	78,709.49	68,673.49	73,731.32	90,642.02	100,822.92	78,692.64	145,279.10	200,985.75	214,116.31	177,276.95	183,493.65	222,888.46	231,796.99	215,945.14	241,580.21	324,913.12	294,163.64	257,149.06	266,177.40	266,177.40	266,177.40
Justice:																						
Police	242,821.46	106,585.48	166,518.05	218,576.61	323,495.58	434,071.06	379,126.94	303,382.23	414,606.55	579,866.46	496,577.20	460,901.97	478,924.92	478,924.92	478,924.92	478,924.92	478,924.92	478,924.92	478,924.92	478,924.92	478,924.92	478,924.92
General	319,458.79	291,091.15	263,799.96	247,879.22	384,174.38	427,460.64	452,371.94	418,796.17	428,177.17	411,446.26	442,811.57	377,936.19	379,971.16	371,029.24	462,119.75	413,924.18	392,011.61	384,377.70	376,453.64	371,651.72	376,453.64	376,453.64
Land, Forest, and Water	189,624.34	256,858.57	294,130.07	484,649.24	676,711.17	528,008.40	608,538.21	569,115.08	599,167.07	608,538.21	569,115.08	599,167.07	608,538.21	569,115.08	599,167.07	608,538.21	569,115.08	599,167.07	608,538.21	569,115.08	599,167.07	608,538.21
Mines	266,291.52	186,290.55	125,310.49	160,634.53	299,814.24	301,501.84	301,274.61	182,066.38	150,661.65	170,677.95	180,661.65	154,501.87	208,528.91	213,819.94	226,546.96	236,129.56	223,191.09	196,001.91	177,121.08	187,831.76	195,971.51	195,971.51
Miscellaneous	127,579.02	96,084.81	155,247.00	18,200.60	17,600.00	19,964.78	17,600.00	233,389.00	241,651.86	1,492,337.67	1,017,702.17	1,498,618.16	1,511,976.98	1,479,144.88	1,479,144.88	1,479,144.88	1,479,144.88	1,479,144.88	1,479,144.88	1,479,144.88	1,479,144.88	1,479,144.88
Municipalities (direct grants)	137,484.84	81,152.08	14,711.80	63,301.14	53,239.39	45,316.63	93,884.96	71,544.66	362,339.24	786,166.44	579,593.06	522,969.99	1,481,160.37	1,688,216.39	1,774,336.35	2,051,062.02	2,384,016.16	1,604,066.92	1,216,924.14	1,191,746.16	1,406,918.72	1,717,199.99
Public Debt and Relief	1,210,497.92	1,019,163.60	2,517,102.60	2,605,611.71	3,057,898.78	3,911,499.24	4,684,729.40	5,147,652.88	5,495,939.69	5,861,474.13	6,168,905.31	6,183,311.60	6,411,367.50	7,044,444.65	7,545,865.68	8,121,299.30	9,302,578.56	8,734,193.66	8,408,458.48	8,709,255.07	8,628,505.93	8,628,505.93
Public Works:																						
Public Works:																						
Roads, Bridges, and Wharves	1,068,119.17	2,017,079.16	1,411,024.51	1,766,524.68	1,812,847.81	2,991,378.81	2,266,900.32	2,231,490.84	2,212,328.17	2,785,462.19	2,186,329.59	2,084,983.06	2,268,269.14	2,336,140.95	2,378,957.96	2,496,080.38	2,158,457.23	1,437,368.93	1,146,105.82	1,290,750.93	1,290,750.93	1,290,750.93
Ferries	10,085.19	46,231.74	73,148.76	110,632.21	156,160.13	171,043.57	187,016.16	189,271.19	154,341.61	146,907.86	151,208.62	146,907.86	146,907.86	146,907.86	146,907.86	146,907.86	146,907.86	146,907.86	146,907.86	146,907.86	146,907.86	146,907.86
General	600,956.98	698,245.55	1,426,580.79	610,214.61	805,011.70	1,426,580.79	1,076,912.69	447,188.95	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73	471,116.73
Public Services	46,066.07	45,037.34	13,076.51	46,622.46	29,084.67	6,591.66	20,146.73	21,985.27	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80	30,303.80
Railways	4,785.87	9,246.20	10,791.99	13,671.28	20,101.40	23,794.09	20,101.40	23,794.09	20,101.40	23,794.09	20,101.40	23,794.09	20,101.40	23,794.09	20,101.40	23,794.09	20,101.40	23,794.09	20,101.40	23,794.09	20,101.40	20,101.40
Total Expenditure	9,216,084.68	9,851,683.02	9,927,406.90	11,369,476.97	12,845,735.37	14,127,609.24	15,181,932.23	16,035,607.11	16,767,101.07	17,603,062.51	17,774,739.89	17,936,226.17	18,632,042.78	19,560,388.89	20,219,166.02	20,999,964.47	21,011,717.87	22,226,329.65	20,842,835.61	21,561,547.90	21,242,901.90	21,117,607.91
Less: Amounts not included in Public Accounts but included in Analysis:																						
Losses profits distributed direct																						
Difference between gross and net—Municipal District School Tax																						
Parliamentary Taxes distributed direct																						
Other: Amounts included in the Public Accounts but not included in Analysis:																						
Discount on debentures sold	628,454.12	100,327.98	38,610.07	228,109.46	14,666.79	8,641.17	437,100.00	301,640.00	121,640.00	128,735.61	103,012.95	28,877.42										
Various items now offset against expenditure	87,854.17	110,713.59	130,490.83	393,023.43	391,605.42	451,696.23	653,3															



TABLE 124.
REVENUE OF THE PROVINCE OF BRITISH COLUMBIA, 1871-1923

TABLE 124—Continued.

REVENUE OF THE PROVINCE OF BRITISH COLUMBIA, 1871-1937—Continued.

TABLE 124—Continued.

MEMORANDUM *RE* THE ANALYSIS OF EXPENDITURES,
PROVINCE OF BRITISH COLUMBIA, 1871-1937.

This segregation of expenditure has been made on a more or less arbitrary basis adopted by the Treasury some years ago. It is based on a principle of service and bears no relation to the department through which such service is carried on.

Agriculture.—Includes the departmental vote other than the Minister's office which is charged to general administration.

Cost of Financial Administration.—This includes the general office of Department of Finance and the various taxation collecting bodies of the Government. It also includes forty per cent. of the cost of Government Agencies.

Colonization, Immigration, and Publicity.—Consists of Agent-General's Office, London, Information Bureau and various votes for publicity and advertising.

Conservation and Development of Natural Resources.

Forest Protection—

Forest Protection Fund Contribution

Other—

This includes such items of expenditure as

Lumber Trade Extension

Forest Research

Surveys

Mining Roads and Trails, etc., etc.

Reforestation

Reconnaissance and Cruising.

Correctional Institutions.—Includes the Boys' and Girls' Industrial Schools.

Education.

Teachers' Salaries—Salary Grants

University of British Columbia

General—Includes all remaining departmental votes other than Minister's Office

Public Schools Act—This consists of the advances on account of rural district school taxes and is offset by a corresponding revenue item.

Fisheries and Game.—Includes Game Branch, destruction of predatory animals and the Fisheries Department, excluding the Commissioner's Office.

General Administration.—This includes various services which are concerned with the carrying on of the Province's business in general, e.g., Minister's office, the Comptroller-General, Postal Branch, Legislation, Civil Service Commission, Municipal Department, etc., and seven per cent. of Agency vote.

Health and Welfare.—Includes resident physician grants, Board of Health, Welfare Branch, Health Insurance, Preventive medicine, and Health and Welfare services generally.

Hospitals and Charities.

Mental Hospitals

Tubercular Sanatorium (includes T.B. Control)

Hospital Grants

General—Includes grants to charities and Destitute, Poor, and Sick, Burial of Indigents, Child Welfare, Home for Incurables and Canteen Fund.

Justice.

Police—Provincial Police

General—Includes General Office of Attorney-General, Sheriff's Office, Gaols, Administration of Justice, Coroner's Inquests, Constitutional Litigation, etc., and eight per cent of Agency Vote.

Land, Forests, and Water.—This includes Forest Branch salaries (net), Land Branch expenses, Hydrometrical service, twelve per cent. of Agency Vote, etc.

Mines.

General Office—Mines Department

Mineralogical Branch, Assay Office, eighteen per cent. of Agency Vote, etc.

Miscellaneous.—Includes various items such as delinquent school taxes, Public Libraries, Public Inquiries Act, and such items of a nature not permitting of a definite classification.

Municipalities.—This includes only such direct grants as are made to municipalities but does not include grants for hospitals or educational purposes which are entered under those headings.

Items included under this head are the municipal share of Liquor profits, Motor-vehicle licences, Pari-mutuel taxes, and other direct grants.

Pensions and Relief.—Includes interest on Teachers' Pension and Superannuation funds, Old Age Pensions (net), Superannuation Commission, W.C.B. Assessments, Mothers' Pensions, Superannuation contribution and other miscellaneous pensions, Unemployment Relief paid from revenue is included under this heading. It has not been segregated due to the fact that most relief has been paid from capital account and a complete analysis is elsewhere available.

Public Debt.—This includes all interest and debt redemption on the public debt.

Public Works.

Roads, Bridges, and Wharves—Includes the Vote for roads and bridges and the old New Westminster Bridge.

Ferries.

General—Includes Public Works Department, General Office, Parliament Buildings maintenance, and all maintenance and repairs to Public Buildings; also fifteen per cent. of the Agencies Vote.

Public Services.—Includes departments of Government that are coupled in the regulation of business, etc., and the enforcement of the governing statutes, e.g., Companies branch, Moving Pictures Censor, Steam Boiler Inspection, Official Guardian, Factories Inspection, etc.

Railways.—This is made up of the expense of the Railways Department less the old Fraser River Bridge.

Due to the difficulty of analysing the Public Accounts prior to 1918-19 it was necessary to make some arbitrary divisions among the various headings of such items as temporary assistance and transportation. This will not affect to any appreciable extent the accuracy of the analysis.

NOTES ON THE RECONCILIATION OF THE ANALYSIS OF EXPENDITURE WITH THE PUBLIC ACCOUNTS.

The structure of the analysis is to a great degree based on the form of public accounts as at present. There has been deducted from the total expenditure for certain years, as given in the analysis, those amounts which do not appear as expenditures in the Public Accounts of the Province.

Liquor Profits.—For the years 1921–22 to 1928–29 part of the profit from the sale of liquor was distributed direct to the ultimate recipients and was not taken to revenue. As all such profit is now taken to revenue and distributed through the consolidated revenue fund, the amounts of such direct distribution have been added both to the revenue and expenditure analyses under the appropriate heading.

Difference Between Gross and Net—Rural Districts School Tax.—In this case the advances made to rural school districts were offset against the revenue received from the taxation of land for that specific purpose. Only the net amount was shown in the Public Accounts in the years 1924–25 to 1928–29.

Races Tax.—The effect of this adjustment is the same as that for “Liquor Profits.” The receipts from the tax were not taken to revenue in the years 1925–26 to 1928–29.

There has been added to the total expenditures shown in the analysis amounts which appear in the Public Accounts but which have been excluded from the analysis for the purposes of yearly comparison.

Discount on Debentures Sold.—Prior to 1924–25 the discount incurred in the sale of bonds was charged to Public Debt. In order to effect a comparison this has been taken out, as such discount is now charged to surplus account.

Various Items Now Offset Against Expenditures.—In order to bring the accounts all into line with the present set-up, various items which were formerly included as revenue have been offset against the particular service for which they were collected. This is in accordance with the present practice. Such items as Tranquille Sanatorium revenue, Normal School receipts, and Steam Boiler Inspection fees have been treated in this manner.

Dominion Grants—Technical Education, Labour Subvention, and Venereal Diseases.—Only unconditional grants and subsidies are now included as revenue. In accordance with this policy these grants have been offset against the corresponding expenditure.

Refund of Capital Expenditure by Sale of Bonds.—These amounts have been excluded from the analysis as they were expenditures on capital account made from income and were later repaid by bonds which were subsequently sold. The proceeds from the sale of the bonds were credited to revenue to effect such repayment.

Interest Earned on Sinking Funds.—During the period 1879–1880 to 1924–1925 the interest earned on Sinking Fund holdings was credited to revenue and then charged out against expenditure on the Public Debt. To conform with present practice these earnings have been deleted from both revenue and expenditure in the analysis.

Land Settlement Deficit Paid from Revenue.—These expenditures made in the years 1923–1924 and 1925–1926 have been deleted from the analysis. They consisted of sums paid out of consolidated revenue to provide for accumulated

deficits incurred by the Land Settlement Board. They are in part offset by revenue receipts which have in turn been deducted from revenue. These items are no longer recurrent.

Capital Receipt from Industrial Development Fund.—This item was received in 1925–1926 from the Industrial Development Fund for the purpose of repaying an outstanding Treasury Bill. It has been taken out of both the revenue and expenditure analyses.

Refund of Relief Expenditure from Capital.—In 1931–1932 the Public Accounts included an amount of \$1,112,500.00, as current Relief expenditure. This was later borrowed from the Dominion under “Unemployment Relief Act, 1932,” and the proceeds placed in the bank without being credited to revenue.

EXPLANATION OF APPARENT INCONSISTENCIES IN EXPENDITURES.

Mental Hospitals, 1911–1912.—Accommodation, both at New Westminster and at Essondale, was greatly increased during these and the following years, and this no doubt accounts for the great rise in expenditure under this head.

Lands, Forest, and Water, 1912–1913.—Re-purchase of subsidy lands at cost of \$1,509,114.73 accounts for the increase of expenditure in this department.

General Administration, 1913–1914.—Expense of Royal Commissions this year raised expenditure above the years preceding and following.

In 1916–1917 Election expense was \$101,081.67, increasing the expenditure for General Administration considerably above the years preceding and following.

Health and Welfare, 1918–1919.—The epidemic of Spanish 'flu in this year accounts for the increase of expenditure in this department over the year before.

General Administration, 1920–1921.—The increase here is from the expense of an election.

Railways, 1921–1922.—Most of the expenditure under this head was in connection with repairing and replacing P.G.E. bridges and track washed out by flood.

TABLE 125.
EXPENDITURES OF MUNICIPALITIES, 1917-1935.
TOTALS: CITIES, DISTRICTS, AND VILLAGES.

Year.	Interest on Debt, Excluding Public Utilities.	Sinking Fund and Instal- ments of Principal on Debt, Excluding Public Utilities.	Roads and Streets.	Street Lighting.	Parks	Sewers	Fire Protection.	Public Health.	Administra- tion of Justice.	Schools, Including Interest and Sinking Fund Payments.	Interest on Temporary Loans.	Donations and Grants	Council Indemnities	Salaries and Other Admin- istrative Expenses.	Public Utilities, Including Interest and Sinking Fund Payments.	Other Expenditures	Relief and Social Service	Better Housing	Hospitals.	Totals
1917	\$2,817,597.74	\$1,031,019.97	\$1,356,198.25		599,086.20	\$160,637.38	\$545,748.61	\$166,643.87	\$161,165.66	\$2,987,801.85	\$119,122.11	\$3,102,213.94	\$58,859.81	\$840,714.46		11,980,129.99				\$12,820,813.99
1918	2,850,187.05	1,849,277.94	1,966,277.49	8256,142.20	162,774.48	205,551.11	547,191.46	208,612.70	408,567.61	3,144,414.13	467,382.86	281,782.36	80,948.05	820,018.10	22,345,102.22	6,18,771.35				16,566,637.13
1919	2,910,487.67	1,942,285.39	1,993,298.54	257,761.08	129,381.77	218,640.46	652,105.16	106,535.83	749,180.07	3,716,624.49	405,760.07	316,416.01	81,721.18	692,523.12	2,553,017.25	1,279,101.67				28,646,967.17
1920	2,720,594.65	1,820,599.02	1,948,481.75	265,913.63	120,329.81	388,776.61	548,884.75	176,115.16	942,191.35	4,482,600.67	575,326.24	311,180.75	88,881.94	696,111.61	2,768,798.24	1,942,629.00				37,541,181.11
1921	2,881,921.52	1,966,683.41	2,228,560.60	287,080.12	188,615.35	379,967.61	862,585.09	135,416.25	1,831,113.94	5,298,063.29	376,465.35	281,681.17	92,829.27	719,800.13	3,212,830.04	1,966,907.42				48,625,411.11
1922	2,998,442.12	1,886,774.67	2,218,866.04	271,509.57	166,039.10	381,115.42	810,851.92	128,417.21	1,870,536.18	5,501,612.25	351,211.18	215,947.78	85,833.61	766,033.46	3,172,698.72	2,316,548.57				58,199,187.21
1923	2,987,292.57	1,828,102.08	2,111,976.25	296,797.80	232,225.47	385,759.72	838,438.45	187,245.08	1,824,182.59	5,487,510.32	366,563.81	151,956.27	91,119.06	748,558.48	3,216,499.71	1,712,140.65				68,118,110.11
1924	2,742,201.37	1,289,607.00	2,323,142.54	302,646.22	241,728.49	256,897.73	911,512.81	192,638.17	1,803,811.64	5,438,138.15	194,191.12	262,231.51	91,707.13	882,251.09	3,469,260.83	2,598,716.93				78,158,616.61
1925	2,817,478.21	1,320,386.08	2,667,790.42	328,468.34	271,539.98	340,915.19	142,969.70	1,076,183.44	6,261,785.65	229,481.23	271,919.68	96,421.67	882,251.09	3,469,260.83	2,598,716.93	2,331,355.56				88,199,187.21
1926	2,849,712.70	1,369,461.71	2,421,344.40	349,922.29	271,553.27	189,884.75	1,011,891.55	192,145.07	1,128,378.97	6,709,279.80	231,682.00	269,168.00	105,365.00	853,368.00	3,887,287.00	2,543,369.00				98,199,187.21
1927	3,148,180.00	1,456,107.00	2,435,744.00	389,069.00	217,500.00	465,511.00	1,082,667.00	140,352.00	2,165,757.00	7,262,849.00	287,153.00	289,610.00	113,007.00	983,291.00	3,877,802.00	2,490,162.00				108,199,187.21
1928	3,863,334.00	1,685,759.00	3,069,564.00	529,518.00	510,421.00	681,575.00	1,281,555.00	189,747.00	1,278,246.00	7,262,849.00	287,153.00	289,610.00	113,007.00	983,291.00	3,877,802.00	2,490,162.00				118,199,187.21
1929	3,463,312.00	1,716,917.00	3,258,185.00	531,652.00	586,999.00	476,735.00	1,313,011.00	175,145.00	1,177,039.00	7,262,849.00	287,153.00	289,610.00	113,007.00	983,291.00	3,877,802.00	2,490,162.00				128,199,187.21
1930	3,568,505.00	1,742,450.00	3,263,623.00	476,855.00	554,357.00	123,561.00	1,311,829.00	170,281.00	1,581,117.00	7,262,849.00	287,153.00	289,610.00	113,007.00	983,291.00	3,877,802.00	2,490,162.00				138,199,187.21
1931	3,559,176.00	2,008,908.00	2,464,000.00	473,506.00	570,176.00	587,459.00	1,373,811.00	173,850.00	1,566,411.00	7,262,849.00	287,153.00	289,610.00	113,007.00	983,291.00	3,877,802.00	2,490,162.00				148,199,187.21
1932	4,053,016.00	2,087,623.00	1,994,228.00	467,444.00	577,359.00	564,878.00	1,216,660.00	177,850.00	1,983,186.00	7,262,849.00	287,153.00	289,610.00	113,007.00	983,291.00	3,877,802.00	2,490,162.00				158,199,187.21
1933	4,143,915.00	2,364,883.00	1,391,147.00	488,165.00	211,822.00	482,782.00	1,039,791.00	170,881.00	1,178,711.00	6,991,421.00	699,954.00	268,174.00	90,349.00	1,016,392.00	3,888,036.00	6,519,223.00				168,199,187.21
1934	4,080,019.00	2,389,988.00	1,602,212.00	482,099.00	232,937.00	810,183.00	1,030,812.00	111,256.00	1,206,161.00	6,458,813.00	556,821.00	192,687.00	90,710.00	1,008,199.00	3,865,159.00	6,609,456.00				178,199,187.21
1935	3,653,210.00	1,367,240.00	(21,997,267.00)	111,317.00	(13,296,582.00)	(2)	1,869,735.00	409,294.00	1,865,202.00					1,008,199.00	3,865,159.00	1,597,816.00	84,013,771.00			188,199,187.21

(1) \$53,101.31 under the heading "Repairs and Maintenance of Municipal Office Buildings" in the 1917 table, included in this amount.

(2) Includes sewers.

(3) Includes cemeteries.

SOURCE: British Columbia, Department of Municipal Affairs, Annual Reports.

TABLE 126.
LIABILITIES OF MUNICIPALITIES, 1917-1935.
TOTALS: CITIES AND DISTRICTS.

Year.	Schools.	Streets and Bridges.	Other Non-revenue Producing.	Domestic Water.	Electric Light.	Other Revenue Producing.	Sewers (General).	Sewers (Local Improvement).	Other Local Improvements.	Better Housing.	Unemployment Relief.	Total Debt.	Sundry Outstanding Debts, Exclusive of Shortage in Sinking Fund.	Grand Total.
1917	\$8,918,804.63	\$18,294,188.58	723,514,459.64	\$18,394,346.51	\$2,448,387.78	\$457,066.28	\$1,294,500.00		\$24,417,764.82			\$94,871,472.77	\$12,054,633.54	\$166,728,104.31
1918	9,144,904.66	19,490,782.16	26,351,101.04	18,217,692.05	2,074,669.65	1,194,249.48	1,224,500.00		24,117,312.55			96,820,100.99	11,299,115.96	166,303,455.76
1919	9,092,856.64	18,826,326.10	26,275,836.53	18,346,810.28	2,121,200.01	1,190,328.67	1,260,500.00		23,964,268.35	\$749,800.00		94,741,615.32	9,955,042.15	164,296,667.47
1920	8,697,244.77	18,447,012.17	26,801,004.41	18,650,571.08	2,192,555.91	1,312,836.57	1,293,500.00		23,581,183.99	1,237,500.00		96,197,910.50	7,076,758.51	162,186,645.81
1921	16,268,143.54	18,733,426.77	16,099,836.57	18,562,878.31	2,177,226.65	1,414,316.23	5,138,645.42		23,158,775.49	1,628,167.62	1123,050.00	97,496,983.83	7,267,183.54	164,703,167.35
1922	13,446,032.53	18,608,315.20	19,218,893.88	19,174,693.44	2,245,856.33	1,619,642.59	3,832,846.16		22,086,157.44	1,680,345.00	95,400.00	98,761,032.37	4,522,201.48	164,830,830.85
1923	19,967,449.86	18,846,054.20	22,845,751.47	19,224,443.52	2,266,926.49	1,499,941.39	9,411,800.00		18,818,874.52	1,499,046.00	73,500.00	94,273,086.75	4,687,051.36	160,956,638.71
1924	13,004,281.89	18,768,736.11	20,755,355.75	19,261,368.44	2,236,800.65	1,469,006.14	3,897,370.28		17,150,712.55	1,458,445.00	49,200.00	96,166,101.20	3,897,047.39	159,972,199.59
1925	11,332,889.95	19,519,842.11	21,640,046.93	20,853,301.84	3,175,410.35	1,715,613.64	3,712,379.28		17,408,333.49	1,399,845.00	24,600.00	93,065,208.00	5,430,237.61	154,686,199.21
1926	12,101,416.91	20,779,257.61	25,978,444.12	20,703,246.84	2,690,368.20	1,414,235.92	3,747,370.28		17,789,369.51	1,343,395.00		102,365,237.88	6,522,465.00	160,115,892.88
1927	13,250,746.00	22,307,714.00	16,630,747.00	20,969,707.00	2,492,335.00	1,777,083.00	11,488,205.00		15,838,872.00	1,270,595.00		110,124,819.00	5,861,825.00	156,986,644.00
1928	14,629,743.00	22,889,519.00	15,611,042.00	21,072,422.00	2,741,836.00	1,286,297.00	11,676,482.00		18,026,092.00	1,122,395.00		118,483,618.00	10,442,968.00	128,926,576.00
1929	16,810,616.00	24,622,867.00	16,116,378.00	22,986,726.00	2,693,872.00	1,262,059.00	14,816,976.00		20,634,644.00	1,846,496.00		125,832,688.00	4,466,125.00	130,297,013.00
1930	16,933,508.00	27,868,870.00	16,019,052.00	23,768,922.00	2,676,485.00	1,263,844.00	16,990,187.00		19,645,008.00	994,496.00		128,913,880.00	12,197,361.00	142,111,271.00
1931	16,936,751.00	29,352,289.00	17,334,334.00	23,980,641.00	2,768,168.00	1,292,607.00	16,905,916.00	\$1,666,913.00	19,645,008.00	994,496.00	77,514.00	129,032,731.00	12,664,596.00	142,017,037.00
1932	15,952,879.00	29,690,196.00	18,065,817.00	23,854,035.00	2,631,187.00	1,167,018.00	16,979,653.00	1,542,739.00	19,604,614.00	967,494.00		138,084,189.00	11,824,126.00	129,928,285.00
1933	16,446,396.00	28,906,028.00	18,102,206.00	23,665,192.00	2,417,040.00	1,128,326.00	16,676,001.00	1,895,384.00	18,403,766.00	989,341.00	763,429.00	127,172,942.00	15,913,827.00	149,086,769.00
1934	16,223,204.00	28,774,890.00	18,277,668.00	23,195,866.00	2,282,438.00	1,088,926.00	16,641,095.00	1,754,437.00	18,067,347.00	983,600.00	1,066,465.00	127,172,942.00	15,913,827.00	149,086,769.00
1935	14,922,864.00	28,620,112.00	20,692,441.00	22,493,267.00	2,127,100.00	1,224,950.00	16,026,116.00	2,121,559.00	16,702,723.00	792,169.00	1,985,616.00	127,309,669.00	15,879,354.00	148,249,918.00

SOURCE: British Columbia, Department of Municipal Affairs, Annual Reports.

TABLE 127.
SINKING FUNDS OF MUNICIPALITIES, 1917-1935.
TOTALS: CITIES AND DISTRICTS.

Year.	Cash.	Invested.	Total.	Sinking Fund Required.	Short.	Over.
1917.....	\$3,728,578.73	\$6,864,163.88	\$10,592,742.61	\$14,165,824.05	\$3,641,769.14	\$68,687.70
1918.....	1,924,907.38	9,580,337.33	11,505,244.71	16,669,546.78	5,206,093.14	41,791.07
1919.....	2,009,108.81	11,844,740.25	13,853,849.06	18,958,720.79	5,289,012.15	184,140.42
1920.....	1,609,217.99	13,415,464.47	15,024,682.46	20,446,138.49	5,591,425.14	169,969.11
1921.....	1,978,014.48	15,003,305.43	16,981,319.91	22,279,256.82	5,502,666.61	262,801.95
1922.....	1,499,039.53	16,879,707.31	18,378,746.84	23,801,720.35	5,633,713.26	268,812.00
1923.....	1,095,027.04	16,345,417.42	17,440,444.46	20,817,642.70	3,562,904.91	243,778.92
1924.....	908,994.32	16,649,201.78	17,558,196.10	20,767,562.16	3,426,455.52	274,661.71
1925.....	948,163.62	18,639,039.28	19,587,202.90	21,467,276.79	2,160,811.31	337,809.67
1926.....	1,141,374.28	20,072,141.19	21,213,515.47	22,804,934.05	1,904,760.54	370,414.21
1927.....	1,277,203.00	21,714,297.00	22,991,500.00	24,151,031.00	1,609,164.00	506,705.00
1928.....	1,172,162.00	23,535,692.00	24,707,854.00	25,563,819.00	1,459,101.00	660,208.00
1929.....	805,402.00	25,563,915.00	26,369,317.00	27,040,261.00	1,425,543.00	811,671.00
1930.....	1,428,840.00	27,460,059.00	28,888,899.00	29,923,018.00	1,984,481.00	1,007,434.00
1931.....	929,555.00	28,776,707.00	29,706,262.00	31,517,412.00	2,601,255.00	847,177.00
1932.....	1,026,865.00	28,901,344.00	29,928,209.00	33,416,429.00	4,223,597.00	792,449.00
1933.....	1,008,877.00	28,728,178.00	29,737,055.00	35,142,085.00	6,063,495.00	715,537.00
1934.....	746,720.00	30,058,219.00	30,804,939.00	37,870,775.00	7,648,656.00	639,892.00
1935.....	829,689.00	31,379,777.00	32,209,466.00	40,744,781.00	9,359,459.00	881,216.00

NOTE.—“Some municipalities have written up to par the value of their own debentures, purchased for the sinking funds. This practice makes it impossible to compare accurately the condition of the funds.

“Showing, at the end of the year, the difference between par and cost of the above-referred-to purchases, creates an excess in the sinking fund account. This difference should be spread over the unexpired term of the purchased debenture.

“Sinking fund computations are not always reflected with exactness. In many cases the requirements are calculated only up to the time of the last tax levy, several months before the end of the year, and allowance is not made for accrued interest.” Page Y-19, 1936.

SOURCE: British Columbia, Department of Municipal Affairs, Annual Reports.

TABLE 128.
RECEIPTS OF MUNICIPALITIES, 1917-1935.
TOTALS: CITIES, DISTRICTS, AND VILLAGES.

Year.	Land Taxes Received.	Trade Licences	Road Tax	Poll Tax.	Dog Tax.	Fines.	Govt. Grant, Schools.	Govt. Grant, Liquor Profits	Govt. Grant, Motor Licences.	Govt. Grant, Pari Mutuel.	Receipts from Public Utilities	Other Receipts.	Better Housing	Road, Poll, and Dog Taxes	Collections from Sales of Reserved Tax Lands	Govt. Grant, Relief.	Liquor Licences, Net.	Total.
1917	89,840,982.95	1168,722.35	541,167.72	—	\$20,170.20	\$164,160.11	8824,259.72	—	—	—	—	\$604,839.47	—	—	—	—	\$169,223.88	\$11,246,974.35
1918	10,599,177.86	163,460.89	37,178.83	—	21,482.62	160,885.74	892,169.73	—	—	—	\$7,990,960.55	785,848.65	—	—	—	—	—	14,734,980.69
1919	14,056,791.10	320,788.84	41,068.70	—	10,817.01	221,627.47	896,897.78	—	—	—	2,810,287.85	847,634.21	—	—	—	—	—	18,915,692.69
1920	16,447,692.57	497,506.86	40,801.10	—	21,879.29	385,916.22	970,164.26	—	—	—	2,693,690.85	1,336,837.16	—	—	—	—	—	21,733,114.77
1921	14,550,526.21	164,791.83	41,035.74	—	22,736.25	22,911.55	291,124.42	1,186,147.43	—	—	5209,909.60	2,911,761.51	1,721,969.84	375,842.66	—	—	—	21,811,011.55
1922	14,580,825.99	537,612.97	38,687.53	—	25,269.63	22,999.35	297,163.08	1,102,413.57	1,077,311.05	5281,616.26	3191,464.65	3,038,124.47	1,851,332.74	197,778.61	—	—	—	23,117,287.25
1923	14,366,913.62	577,932.62	37,056.04	—	102,112.79	25,961.43	224,638.98	1,307,168.17	821,193.06	296,089.01	223,833.79	3,162,581.66	1,937,214.90	—	—	—	—	22,487,599.90
1924	13,719,940.05	606,442.72	38,497.20	—	94,958.91	27,835.70	241,154.60	1,325,567.71	905,091.05	396,731.96	271,806.76	3,345,844.55	1,612,264.34	—	—	—	—	22,967,694.31
1925	13,874,451.77	628,474.37	38,273.22	—	155,191.46	28,709.12	315,963.84	1,352,191.73	811,783.26	319,297.90	105,168.50	3,577,975.25	1,668,423.75	—	—	—	—	23,677,105.57
1926	14,689,311.79	613,212.01	38,945.92	—	211,275.47	35,565.28	345,188.60	1,465,601.92	908,258.62	391,813.17	182,478.33	3,715,619.51	1,871,666.61	—	—	—	—	24,112,922.14
1927	14,965,304.00	642,102.00	37,263.00	—	205,614.60	38,425.00	305,162.00	1,485,586.00	1,612,216.00	433,802.00	286,073.00	3,918,644.00	1,926,581.00	—	—	—	—	25,599,621.00
1928	15,028,562.90	637,176.00	36,395.00	—	191,726.00	34,473.00	374,791.00	1,561,908.00	1,689,256.00	443,025.00	289,918.00	3,930,127.00	2,376,299.00	—	—	—	—	26,526,713.00
1929	17,169,794.00	766,719.00	32,365.00	—	203,364.00	46,736.00	323,297.00	1,542,194.00	1,196,872.00	668,573.00	280,936.00	4,623,925.00	2,244,325.00	—	—	—	—	28,586,713.00
1930	17,144,816.00	766,296.00	33,121.00	—	207,109.00	45,643.00	275,350.00	1,670,287.00	847,212.00	672,352.00	176,670.00	3,953,280.00	1,560,737.00	—	—	—	—	29,038,598.00
1931	18,065,047.00	753,216.00	27,991.00	—	167,395.00	46,733.00	210,052.00	1,729,198.00	831,135.00	670,087.00	369,555.00	4,046,370.00	2,401,917.00	—	—	—	—	28,111,239.00
1932	16,026,701.60	674,806.00	22,850.00	—	146,717.00	41,911.00	135,652.00	1,846,175.00	618,025.00	609,612.00	147,519.00	3,981,683.00	2,264,185.00	—	—	—	—	27,026,443.00
1933	17,571,475.00	640,623.00	28,117.00	—	127,967.00	30,956.00	128,538.00	1,317,003.00	245,657.00	601,635.00	—	3,811,077.00	2,844,579.00	—	—	—	—	27,286,872.00
1934	17,839,461.00	649,946.00	25,143.00	—	146,871.00	42,163.00	130,969.00	1,291,447.00	—	645,001.00	—	3,816,214.00	2,735,119.00	—	—	—	—	26,891,349.00
1935	16,979,266.00	702,167.00	(1)	(1)	(1)	126,430.00	1,816,659.00	—	—	666,165.00	—	3,910,425.00	1,697,960.00	—	\$206,612.00	\$46,844.00	\$1,942,812.00	—

(1) Included in 1935 in "Other Receipts."

SOURCE: British Columbia, Department of Municipal Affairs, Annual Reports.

TABLE 129.
ASSESSMENTS OF MUNICIPALITIES, 1918-1936.
TOTALS: CITIES, DISTRICTS, AND VILLAGES. (1)

Years.	Value of Taxable Land.	Value of Taxable Improvements.	Total Taxable Property.	Land and Improvements Exempt from Taxation.	Grand Total.	Population.
1918	\$369,476,413.75	\$177,425,515.00	\$546,901,928.75	\$40,648,727.43	\$587,550,656.18	365,750
1919	366,004,371.24	181,358,225.00	547,362,596.24	39,495,173.33	586,857,768.67	374,980
1920	363,508,519.49	194,430,709.00	557,939,228.49	37,072,096.50	595,011,324.99	374,740
1921	349,146,755.82	196,641,269.28	545,788,025.10	50,304,747.40	596,092,772.50	383,380
1922	332,789,774.58	221,418,811.00	554,208,585.58	60,547,355.82	614,755,941.40	398,085
1923	326,384,317.20	234,612,866.40	560,997,183.60	54,141,686.75	615,138,870.35	400,375
1924	318,175,213.94	244,251,108.00	562,426,321.94	61,621,155.94	624,047,477.88	400,863
1925	312,166,616.20	254,087,089.60	566,253,705.80	63,316,485.72	629,570,191.52	401,292
1926	303,282,438.62	265,446,493.80	568,728,932.42	72,743,038.47	641,471,970.89	448,260
1927	303,232,024.03	285,290,683.00	588,522,707.03	85,800,620.90	674,323,327.93	448,445
1928	302,889,841.00	306,802,860.00	609,692,701.00	83,745,240.00	693,437,941.00	449,209
1929	303,152,779.00	331,448,235.00	634,601,014.00	77,501,143.00	712,102,157.00	498,525
1930	307,514,698.00	352,814,469.00	660,329,167.00	81,303,065.00	741,632,232.00	499,365
1931	307,772,090.00	374,218,299.00	681,990,389.00	87,373,370.00	769,363,759.00	499,365
1932	303,667,022.00	384,429,061.00	688,096,083.00	149,274,900.00	837,370,983.00	519,823
1933	293,986,938.00	373,368,982.00	667,355,920.00	151,520,124.00	818,876,044.00	519,823
1934	277,291,181.00	363,170,619.00	640,461,800.00	145,988,409.00	786,450,209.00	519,823
1935	268,996,902.00	356,765,333.00	625,762,235.00	146,434,234.00	772,196,469.00	519,859
1936	243,225,090.00	340,531,233.00	583,756,323.00	146,685,827.00	730,442,150.00	520,214

(1) No figures given for villages, 1918-1922.

SOURCE: British Columbia, Department of Municipal Affairs, Annual Reports.

THE REVISED STATUTES OF BRITISH COLUMBIA, 1871, 28 VICT., No. 57, P. 182.
(Laws of the Formerly Separate Colony of B.C.)

APPENDIX "A."

"AN ORDINANCE FOR THE FORMATION AND REGULATION OF
MUNICIPALITIES IN BRITISH COLUMBIA," MARCH 22, 1865.

"Whereas the creation of Municipal Institutions would be productive of great local improvement in the several Towns of the Colony, and it is expedient to promote the same:

"Be it enacted by the Governor of British Columbia, by and with the advice and consent of the Legislative Council thereof, as follows:

"(1.) It shall be lawful for the Governor, on the petition of, in his opinion, a sufficient proportion of the residents in any Town or place in the Colony, praying for Municipal Institutions, to grant the same by Charter under the Great Seal of the Colony.

"(2.) In every such Charter the Governor may

(a) Define the limits of such Borough or Municipality, and

(b) Its subdivision into wards;

(c) Provide for the Election of Borough Officers, their qualifications, duties, term, and change of office;

(d) And for meetings of all kinds;

(e) The qualification of Voters or Burgesses at the Election of such Officers;

(f) Confer such corporate powers, with or without limitation, and with or without the right of suing and being sued in a Corporate name, or the name of an Officer, and with a Common Seal, and with the right of holding land for strictly Municipal purposes;

(g) Provide for raising, by By-law, a Municipal Revenue by taxes and rates leviable on the property within the Borough bounds, and by Municipal fines and penalties for breach of local regulations, provided that in such case the Charter shall fix a definite, clear, and not excessive limit to any such taxation, and to any borrowing power thereby conferred, and specify the Municipal objects to which alone the same may be applied;

- (h) And for the passage and enforcement of By-laws, for the prevention of fires, the supply of light and water, the abatement of nuisances, for internal improvements and works of all kinds, for social and sanitary objects, and any other local purposes connected with such Borough.

“Provided that every such By-law passed in accordance with such Charter shall not be contrary to law, and may be repealed or varied as in such Charter may be prescribed; and every such By-law for the time being in force shall have the force of law, and shall be enforceable as law in any court in the Colony.

“(3.) Every such Charter shall contain a provision reserving power to the Governor, with the consent of such parties resident in a Borough established under the Ordinance, as shall be prescribed by the Charter creating the same, from time to time to alter, vary, or accept a surrender of the Charter of any such Borough, and grant a new Charter with similar formalities.

“(4.) And a further provision for the cessation of each such Charter whenever a general Municipal Law, applicable to the whole Colony, shall be duly established in lieu thereof.

“(5.) And such other further provisions as to the Governor shall seem meet and just in the premises.

“(6.) This Ordinance shall be cited as ‘The Borough Ordinance, 1865.’”

REVISED STATUTES OF BRITISH COLUMBIA, 1936, CHAPTER 199, SECTION 59.

APPENDIX “B.”

THE VOLUNTARY POWERS OF THE CITY AND DISTRICT MUNICIPALITIES.

POWERS REQUIRED TO BE EXERCISED BY BY-LAW.

In every municipality the Council may from time to time make, alter, and repeal by-laws not inconsistent with any law in force in the Province for any of the following purposes, that is to say:—

Officers, Salaries, and Fines.

- (1.) For regulating municipal elections.
- (2.) For the collection and expenditure of revenue.
- (3.) For regulating the appointment and removal of employees.
- (4.) For appointing an inspector of gas-meters.
- (5.) For authorizing appointed officers to enforce regulations.
- (6.) For the enforcing of by-laws in municipalities.
- (7.) For inflicting fines and penalties.
- (8.) For remuneration of Mayor, Reeve, Aldermen, and Councillors.
- (9.) For revising and consolidating the by-laws.

Acquiring and dealing with Waterworks and other Kinds of Property.

- (10.) For purchasing or construction of water or other works.
- (11.) For authorizing or ratifying water supply or sewer systems in adjoining municipalities.
- (12.) For acquiring tramway or electric-lighting plant, etc.
- (13.) For protecting the foreshore of the municipality.
- (14.) For acquiring property for holding agricultural or industrial exhibitions.
- (15.) For purchasing or constructing tramways, telephones, motor-buses, etc.
- (16.) For operation of motor-buses without the municipality.
- (17.) For the power of acquiring and accepting lands.

Agreements with Electric Light, Power, and Telephone Companies.

- (18.) For making agreements for supplying electric light or power or telephone facilities.
- (19.) For making special assessments for the cost of the work done by the preceding clause.
- (20.) For installing, acquiring, and operating irrigation systems and drainage work. Fulfilling obligations of vendors.

Aids, Educational, Charitable, etc.

- (21.) For requiring the assent of the electors to certain by-laws.
- (22.) For granting aid for educational purposes.
- (23.) For granting aid to hospitals.
- (24.) For joining with or aiding any municipality in maintaining hospital.
- (25.) For entering into agreements with hospitals.
- (26.) For granting money to aid societies.
- (27.) For granting aid to mechanics' institutes or fire companies.
- (28.) For granting aid to the poor.
- (29.) For granting aid to adjoining municipality in improving highways.
- (30.) For granting sums for war memorials.

Relating to Animals and like Matters.

- (31.) For the regulating and the keeping of wild animals.
- (32.) For regulating the sale of animals.
- (33.) For the prevention of cruelty to animals.
- (34.) For the establishment, maintenance, and regulation of pounds.
- (35.) For regulating and fixing the fines and fees to be collected by the pound-keepers.
- (36.) For providing yard and enclosures for the animals.
- (37.) For the restraining and prohibiting cattle running at large in public places.
- (38.) For killing dogs which are impounded.
- (39.) For the offering of bounties for destruction of noxious animals.
- (40.) For preventing the moving of bees on combs.

Buildings.

- (41.) For the erection of municipal buildings.
- (42.) For establishing fire limits.
- (43.) For appointing a building inspector and for the regulating of buildings.
- (44.) For authorizing the pulling-down of buildings erected in contravention of by-law.
- (45.) For the regulating of plans and levels.
- (46.) For authorizing the pulling-down of buildings and alterations.
- (47.) For prevention, after construction, of alteration in buildings.
- (48.) For causing buildings and yards to be put into a safe condition.
- (49.) For regulating the construction, installation, repair, and maintenance of gasworks.
- (50.) For the appointment of an electrical inspector.
- (51.) For regulating the seating capacity of public buildings.
- (52.) For requiring contractors, owners, or other persons to obtain a valid building permit.
- (53.) For compelling the providing of emergency exits.
- (54.) For regulating the construction of chimneys.
- (55.) For preventing, removing, or regulating the construction of any chimney or flue and for the removal of ashes.
- (56.) For compelling the owners to have scuttles to roof.
- (57.) For regulating signs, billboards, and scaffolding.
- (58.) For compelling the removal of projecting verandahs over any sidewalk.
- (59.) For ascertaining and compelling owners to furnish Council with levels of the cellars.
- (60.) For compelling the deposit of plans of cellars with an officer.
- (61.) For regulating the construction and use of cellars.
- (62.) For closing or filling up any cellar.

Cemeteries.

- (63.) For accepting, purchasing, and holding land for cemeteries.
- (64.) For providing contributions for upkeep of grave-plots.
- (65.) For regulating burial of human bodies.

Consolidation of Debt.

- (66.) For consolidating the whole or any part of a debenture.
- (67.) For consolidating, with the consent of the Lieutenant-Governor in Council, the whole or any part of the stock or debentures.

Fences, Dykes, and Drains.

- (68.) For making ditches and drains.
- (69.) For regulating drains and cesspools.
- (70.) For preventing the obstruction of watercourses.
- (71.) For the cleaning-out of streams and drains.
- (72.) For defining what shall be deemed a lawful fence within the boundaries of a municipality.
- (73.) For regulating fences, dykes, and ditches.
- (74.) For regulating wooden fences.
- (75.) For compelling the fencing of lands on streets.
- (76.) For authorizing the inspection of all dykes.

Fire Department and Fires.

- (77.) For assessing and levying a special rate for fire department.
- (78.) For establishing and maintaining a fire department superannuation fund.
- (79.) For the assistance and regulation of fire departments.
- (80.) For appointing fire engineers and firemen.
- (81.) For regulating people at fires.
- (82.) For regulations for suppression of fires.
- (83.) For providing compensation for fires.
- (84.) For preventing and regulating the manufacture of combustibles.
- (85.) For regulating the storage of gunpowder.
- (86.) For preventing and regulating the use of fire or lights.
- (87.) For entering into intermunicipal agreements for fire protection.
- (88.) For entering into extra-municipal agreements for fire protection.

Food.

- (89.) For appointing food inspectors.
- (90.) For appointing inspectors of slaughter-houses.
- (91.) For preventing or regulating the keeping of fish alive in any waters within the municipal limits.
- (92.) For seizing and destroying all unwholesome meat.
- (93.) For providing for the seizure and forfeiture of bread.
- (94.) For preventing the sale of diseased or unwholesome food.
- (95.) For preventing the adulteration of foodstuffs.
- (96.) For seizing and forfeiting bread for light weight.
- (97.) For preventing the use of deleterious materials in bread.
- (98.) For the appointment of an inspector of foodstuffs.

Regulating certain Public Utility Companies and their Appliances.

- (99.) For licensing gas, electric light, telephone, and water companies.
- (100.) For regulating placing of poles and wires.
- (101.) For compelling use of underground wires.
- (102.) For regulating stringing of wires and inspection of meters.

Light.

- (103.) For regulating the public lighting.
- (104.) For rents chargeable for opportunity of user of water, gas, or electricity.
- (105.) For purchasing light and power and water.

Health Protection and Preservation.

- (106.) For appointing health officers.
- (107.) For preventing the spread of infectious diseases.
- (108.) For preservation of public health.
- (109.) For the giving of notice of infectious diseases.
- (110.) For regulating entry and departure of boats, etc., and passengers, with a view to preventing the spread of infectious diseases.

- (111.) For regulating, governing, and inspecting food.
- (112.) For giving additional powers to Medical Health Officers.
- (113.) For controlling and regulating barbers' shops.
- (114.) For establishing public incinerator and garbage-disposal.
- (115.) For providing that the incinerator fees are to form part of taxes.

Weighing-machines.

- (116.) For purchasing, erecting, maintaining, and operating weighing-machines.

Regulating and Licensing certain Occupations.

- (117.) For preventing and regulating exhibitions.
- (118.) For licensing and regulating restaurants.
- (119.) For regulating and controlling the delivery of milk and cream.
- (120.) For licensing and regulating of all places of amusement.
- (121.) For licensing automatic vending-machines.
- (122.) For licensing of club managers.
- (123.) For regulating and licensing scavengers and chimney-sweeps.
- (124.) For appointing scavengers.
- (125.) For regulating measuring or weighing of food and fuel.
- (126.) For compelling bakers to weigh bread.
- (127.) For licensing, registering, and inspecting bake-shops.
- (128.) For granting, suspending, or cancelling licences to vehicles plying for hire.
- (129.) For regulation of motor-vehicles.
- (130.) For preventing or prohibiting persons soliciting passengers or guests at wharves and railway-stations.
- (131.) For regulating horse-racing.
- (132.) For licensing hawkers, peddlers, and hucksters.
- (133.) For the regulation of all market vehicles.
- (134.) For licensing and regulating laundries.
- (135.) For licensing and regulating plumbers.
- (136.) For regulating the location of sites for certain businesses.
- (137.) For licensing tents and lumber-yards.
- (138.) For licensing and regulating intelligence offices.
- (139.) For regulating second-hand stores and junk-shops.
- (140.) For requiring second-hand jewellery taken in barter to be reported to the office of the police.
- (141.) For ordering and enforcing the closing of places selling soft drinks.
- (142.) For regulating and licensing hotels, road-houses, and clubs.
- (143.) For granting, refusing, and cancelling licences to auto camps.
- (144.) For licensing, regulating, defining, and classifying service-stations.

Lodging-houses.

- (145.) For registration of lodging, boarding, and apartment houses.
- (146.) For regulating construction of houses.
- (147.) For promoting and compelling cleanliness and ventilation.
- (148.) For well-ordering of premises.
- (149.) For enforcement of regulations.
- (150.) The provisions of the last five preceding clauses shall apply to auto-camps.

Morals, Regulating.

- (151.) For preventing the posting of indecent placards.
- (152.) For the prevention of vice.
- (153.) For preventing certain advertising on fences.
- (154.) For prohibiting and regulating cabarets.
- (155.) For appointing night-watchmen.

Nuisances.

- (156.) For the prevention and removal of nuisances.
- (157.) For preventing unnecessary noise.
- (158.) For regulating firearms, firecrackers, and charivaries.
- (159.) For controlling the sale of fireworks.
- (160.) For licensing of blasting.
- (161.) For preventing persons depositing rubbish.

- (162.) For compelling the removal of rubbish by owner.
- (163.) For preventing the fouling of the atmosphere by smoke, effluvia.
- (164.) For regulating the bathing of persons.
- (165.) For the providing for the cutting-down of trees.
- (166.) For the preventing the growth of weeds.
- (167.) For compelling the destruction of caterpillars.
- (168.) For regulating the spread of codling-moth.
- (169.) For regulating the keeping of animals.
- (170.) For regulating the keeping of bees.
- (171.) For regulating dog-kennels and hospitals for dogs.
- (172.) For compelling the cleansing of drains.
- (173.) For designating slaughter-houses.
- (174.) For compelling the removal of snow, ice, and rubbish.

Real Property—Acquisition and Disposal.

- (175.) For holding and using lands for corporate purposes.
- (176.) For expropriation of lands, easements, and right-of-way.
- (177.) For entering on land to repair damage.
- (178.) For acquiring property for air-ports.
- (179.) For disposition of real property and public utilities.
- (180.) For authorizing disposal of water rights to water-users in the community.
- (181.) For acquiring and maintaining fire-halls.
- (182.) For acquiring property for the use of the corporation and for maintaining a municipal hall within or without the municipality.
- (183.) For purchasing and maintaining a free library.
- (184.) For erecting and maintaining a public park.
- (185.) For constructing and maintaining abattoirs and slaughter-houses.
- (186.) For constructing and maintaining swimming-baths.
- (187.) For conveyance of school-sites.
- (188.) For entering into agreements for joint control of parks.
- (189.) For acquiring property for recreation-grounds and golf-links.
- (190.) For regulation of swimming-baths.

Referendum.

- (191.) For obtaining, at the time of the annual election, a referendum

Revenue and Statute Labour.

- (192.) For raising a municipal revenue.
- (193.) For fixing a tax on improvements.
- (194.) For raising a road tax in cities.
- (195.) For raising a road tax in districts.
- (196.) For the regulation of the statute labour.
- (197.) For imposing a library tax.
- (198.) For imposing an annual tax on bicycles and vehicles.
- (199.) For exemption from vehicle tax.
- (200.) For rent of sewers.
- (201.) For special rates for unimproved lands.
- (202.) For levying taxes upon dogs and the destruction of dogs.
- (203.) For imposing a special rate for watering streets.

Sewers and Drains.

- (204.) For constructing and regulating sewers and drains.
- (205.) For constructing sewers within or without municipalities.
- (206.) For agreements for intermunicipal sewers.
- (207.) For regulating sewers and drains for sanitary purposes.
- (208.) For charging owners rent for sewers.
- (209.) For charging sewer rent for connecting pipes.
- (210.) For borrowing upon security of sewer rentals.
- (211.) For regulating sewers and plumbing of buildings.
- (212.) For laying connection pipes from buildings and houses to the main pipes.
- (213.) For collecting for damage to streets.
- (214.) For regulating surface drains.

- (215.) For defining channel and protecting banks of streams.
- (216.) For appointment of sewerage commissioners.

Streets—General.

- (217.) For opening or closing streets, bridges, and roads.
- (218.) For regulating plans of streets.
- (219.) For establishing a general grade for the streets.
- (220.) For surveying and naming streets and numbering houses.
- (221.) For numbering of buildings.
- (222.) For setting aside bicycle-paths.
- (223.) For erecting gates on roads and bridges.
- (224.) For planting shade-trees along roads.
- (225.) For regulating boulevards.
- (226.) For constructing and repairing sidewalks.
- (227.) For permitting areas under sidewalks.
- (228.) For regulating work on streets and roads.
- (229.) For regulating passage of engines upon streets and roads.
- (230.) For keeping streets clear and clean.
- (231.) For prohibiting erection or maintenance of buildings on streets.
- (232.) For prohibiting placing of material on streets.
- (233.) For maintenance of lanes.
- (234.) For exchanging streets for adjacent land.

Streets—Regulation of Traffic.

- (235.) For the regulation of traffic.
- (236.) For crossing of streets by pedestrians.
- (237.) For allotting areas for safety-zones.
- (238.) For placing signs and signals for regulation of traffic.
- (239.) For regulating the kinds and widths of tires and size and weight of vehicles and loads.
- (240.) For regulating extraordinary traffic.
- (241.) For regulating the use of bicycles.
- (242.) For regulating the coasting of sleds, etc.
- (243.) For regulating parades.
- (244.) For authorizing tramways.

Wharves.

- (245.) For purchasing, erecting, and maintaining public wharves and warehouses.

Miscellaneous.

- (246.) For establishing and maintaining landmarks.
- (247.) For establishing an inebriate asylum.
- (248.) For the establishment and maintenance of markets.
- (249.) For regulating steam engines and boilers.
- (250.) For establishing a night-school and management thereof.
- (251.) For regulating the erection and construction of signboards.
- (252.) For preventing injury to trees and flowers.
- (253.) For establishing and maintaining a police force.
- (254.) For exemption from taxation of recreation-ground.
- (255.) For inquiries respecting railway or harbour improvements.
- (256.) For compulsory schemes governing certain areas.
- (257.) For sale of wood and coal.
- (258.) For joining with other municipalities in any litigation.
- (259.) For fixing building lines.
- (260.) For entering into agreements limiting erection of buildings.
- (261.) For limiting number of dwellings per acre.
- (262.) For prescribing residence areas.
- (263.) For prohibiting factories in prescribed areas.
- (264.) For prohibiting trades in prescribed areas.
- (265.) For contributing or paying the full amount of group insurance.
- (266.) Generally, for the good rule and government of the municipality.

APPENDIX "C."

THE VOLUNTARY POWERS OF THE VILLAGE MUNICIPALITIES.
POWERS.

There are hereby conferred upon the municipality the following powers, rights, authorities, and jurisdictions, which shall be exercised by the Commissioners by by-law, and the Commissioners are hereby empowered to make, alter, and repeal by-laws for any of the following purposes, or in relation to matters coming within the classes of subjects next hereinafter mentioned, that is to say:—

- (1.) For the collection, appropriation, expenditure, management, and accounting for the municipal revenue and all money belonging to the municipality.
- (2.) For inflicting fines and penalties:
- (3.) For enforcing the by-laws of the municipality by the imposition of punishment by fine or imprisonment:
- (4.) For authorizing appointed officers to enter any property to ascertain whether the by-laws of the municipality are obeyed:
- (5.) For consolidating the by-laws of the municipality:
- (6.) For paying out of the annual revenue to each Commissioner an annual indemnity in respect of his attendance at meetings of the Commissioners and committees, not exceeding in the whole the sum of one hundred dollars per annum:
- (7.) (a.) For accepting, purchasing, taking on lease, and accepting the abandonment and control of lands, and of rights, privileges, and easements in connection therewith, from the Dominion and Provincial Governments, and for entering into any agreement relating to the holdings of any such lands:
(b.) For selling, exchanging, or otherwise disposing of real property owned by the municipality, and rights in connection therewith:
- (8.) For the acquiring of buildings for any purpose necessary to the exercise of the powers hereby conferred:
- (9.) For joining and entering into agreements with other municipalities for the purchase, erection, maintenance, or management of real property or buildings:
- (10.) (a.) For reclaiming, filling up, and converting into land suitable for building or other purposes rocky, barren, or waste lands:
(b.) For planning and laying out in building-sites and arranging any such lands as public wharves, parks, squares, gardens, or recreation-grounds:
- (11.) For entering upon any real property which may be injuriously affected by the exercise of any corporate powers for the purpose of executing any works of construction or repair in mitigation of injury done:
- (12.) For acquiring and for furnishing, equipping, and maintaining public libraries:
- (13.) For establishing and maintaining hospitals, either within or without the limits of the municipality:
- (14.) For designating a place for the slaughter of animals usually used for food:
- (15.) For purchasing and preserving municipal property, including wharves, docks, warehouses, and collection of rental for same:
- (16.) For acquiring land for the purpose of public parks, pleasure and recreation grounds:
- (17.) For the exercise of all such powers as are conferred by the "Provincial Parks Act" upon the Commissioners of any public recreation-ground:
- (18.) For preventing the injury or destruction of trees or shrubs:
- (19.) For operating public parks and recreation-grounds and collecting rates and fees for the use thereof:
- (20.) For delegating to a committee any or all of the powers herein conferred upon the Commissioners with respect to the maintenance:
- (21.) For acquiring and managing cemeteries:
- (22.) (a.) For prescribing the material of which the walls and roofs of buildings shall be constructed:
(b.) For requiring that a person before building shall submit the plans for the erection to the Building Inspector:

- (c.) For prohibiting the existence of any condition in any building that is a menace to the health or safety of the public:
- (d.) For regulating the location and construction of chimneys, boilers, etc.:
- (e.) For enforcing the cleaning of chimneys and the removal of ashes:
- (f.) For compelling the owners of houses to provide fire-escapes:
- (23.) (a.) For compelling owners to have garbage and rubbish taken to a place designated for such matter:
- (b.) For removing to a designated place rubbish and establishing a scale of charges payable by the owner:
- (24.) For establishing, preserving, or stopping up highways:
- (25.) For acquiring, opening up, and operating quarries and gravel-pits:
- (26.) For constructing and repairing sidewalks upon any highways:
- (27.) For caring for trees and shrubs upon a highway:
- (28.) For providing for the lighting and watering of streets:
- (29.) For regulating the plans and the material of the pavement, roadway, and sidewalk of highways:
- (30.) For establishing a general grade for the streets:
- (31.) For marking the boundary-lines and naming all public thoroughfares and for altering such names and for the numbering of houses and lots:
- (32.) For erecting gates on highways and for the regulation of traffic at such gates:
- (33.) For regulating the passage through any highway or bridge of engines of every kind:
- (34.) For preventing the encumbering or injury of highways:
- (35.) For regulating the erection and for preventing the destruction of signboards:
- (36.) For licensing gas, electric-light, telephone, and such companies:
- (37.) For regulating the poles and wires on pavements:
- (38.) For disposing of a public street or highway or any portion thereof in exchange for such adjacent or contiguous lands as may be necessary for the improving of public streets:
- (39.) For compelling owners of private lanes to maintain them and indicate that they are not public property:
- (40.) For regulating traffic within the municipality:
- (41.) For regulating the weight of load which may be carried on vehicles in the municipality:
- (42.) For regulating extraordinary traffic on highways:
- (43.) For authorizing agreements with any person supplying electric light, power, telephone service, or water to the inhabitants of the village:
- (44.) For regulating of the keeping of wild animals in captivity:
- (45.) For regulating the sale of animals:
- (46.) For prevention of cruelty to animals, and destruction of incurables:
- (47.) For maintenance of pounds and appointment of pound-keepers:
- (48.) For fixing the fines to be levied by the pound-keepers:
- (49.) For providing enclosures for the safe-keeping of such animals:
- (50.) For prohibiting cattle from running at large on any public street or highway:
- (51.) For the keeping of dogs and other animals, and defining limits within which they may be kept:
- (52.) For killing dogs if the fines are not paid within a fixed time:
- (53.) For the offering of bounties for the destruction of beasts and birds of prey:
- (54.) For establishing and maintaining fire departments:
- (55.) For making agreements with other villages for joint fire-protection:
- (56.) For appointing and paying firemen and the regulating of fire equipment:
- (57.) For regulating people at fires:
- (58.) For preventing and regulating the manufacture of combustibles:
- (59.) For making regulations for suppressing fires and demolishing adjacent houses to prevent fires:
- (60.) For regulating the sale, storage, and disposal of combustible matter in and through the municipality:
- (61.) For regulating the use of fire in combustible places:
- (62.) For regulating shows and public exhibitions:

- (63.) For licensing, inspecting, and regulating public pool-rooms, billiard-halls, skating-rinks, bowling-alleys, dance-halls, and places of amusement, and prohibiting the presence of women and girls and of boys of less than eighteen years of age:
- (64.) (a.) For licensing and regulating automatic vending-machines:
(b.) For classifying vending-machines as to location and as to character of goods sold:
(c.) For prohibiting use of vending-machines in any particular location:
(d.) For charging licence fees for the operation of vending-machines:
(e.) For entering into an agreement with any person authorized to operate a vending-machine:
- (65.) For regulating and licensing scavengers and chimney-sweeps:
- (66.) For appointing scavengers and prescribing their duties:
- (67.) For compelling the measuring or weighing of articles of food and fuel sold or exposed for sale, and imposing penalties for light weight or short measurement:
- (68.) For compelling bakers and manufacturers of bread sold to label bread with weight and name of maker:
- (69.) For licensing and inspecting places where bread is made:
- (70.) For licensing and regulating eating-houses to provide proper sanitary arrangements:
- (71.) For granting, refusing, suspending, or cancelling licences to all vehicles, and the drivers of licensed vehicles shall carry a distinctive number:
- (72.) For regulating horse-racing:
- (73.) For governing hawkers:
- (74.) For regulating hucksters:
- (75.) For regulating and taxing all vehicles which have anything exposed for sale:
- (76.) For licensing and regulating wash-houses and laundries:
- (77.) For prohibiting, licensing, and regulating tents and woodyards:
- (78.) For licensing and regulating travelling dealers in junk and second-hand stores:
- (79.) For compelling the registration of lodging-houses and boarding-houses:
- (80.) For regulating the construction of houses in which rooms are intended to be let or used for lodging purposes:
- (81.) For compelling cleanliness and proper ventilation in lodging-houses:
- (82.) For the well-ordering and sanitary and hygienic conditions which the owners of lodging-houses shall observe:
- (83.) For prohibiting the letting of any premises unless the requirements of the Commissioners are complied with:
- (84.) For providing that the last five clauses shall apply to all kinds of auto camps:
- (85.) For the prevention and removal of nuisances:
- (86.) For regulating blasting within the municipality:
- (87.) For preventing persons to permit unwholesome matter to collect around their premises:
- (88.) For compelling owners of real property and tenements to remove rubbish:
- (89.) For providing, at the expense of the owner, the destruction of weeds, etc.:
- (90.) For providing the cutting-down of trees dangerous to the public:
- (91.) For compelling the destruction of destructive insects:
- (92.) For regulating the repairing of any grounds:
- (93.) For regulating the removal of ice and rubbish from roofs and gutters and the cleaning of sidewalks in front of premises:
- (94.) For raising within the municipality such sum by way of road tax, not exceeding two dollars per person between the ages of twenty-one and sixty:
- (95.) For purchasing, constructing, operating, and maintaining water-power and electric power to the inhabitants within the municipality:
- (96.) For licensing and classifying gasoline and oil-filling stations and pumps:
- (97.) For imposing, levying, and collecting a tax of two dollars per person for the maintenance of a public library:
- (98.) For obtaining at the time of the annual election the opinion of the electors upon any question which affects the municipality:
- (99.) For regulating the time after which children shall not be on the streets at nightfall without guardianship.

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION.

PART VI.

DOMINION POLICY *and*
PROVINCIAL ECONOMY.

PART VI.

DOMINION POLICY AND PROVINCIAL ECONOMY.

THE TRADE POSITION OF BRITISH COLUMBIA.

An attempt has been made to develop a reasonably accurate picture of the trade position of British Columbia in the Canadian Federation. Information with regard to a great part of the trade of British Columbia with the rest of Canada, with the British Empire, and with foreign countries is not available in detailed form; consequently, it has been necessary to make estimates on the basis of information available. The available information is, in the main, found in the Canadian Trade Reports, which deal only with Canada as a whole, in the reports of the Boards of Harbour Commissioners, statistics of railway shipments, reports of the Department of Inland Revenue, reports of organizations such as the Pacific Lumber Inspection Bureau, and reports of Departments of the Provincial Government, as well as information received from private trading houses. The lack of segregated statistics with regard to the trade of British Columbia made the preparation of this estimate of trade one of extreme difficulty. This difficulty was increased by the lack of uniformity in the keeping of statistics which are available, in some cases the information being in quantities, and in others in values. It was overcome, however, by estimating available values from authoritative sources, and the statistics presented are as scientifically accurate as is possible in the circumstances.

The need for the keeping of more detailed Provincial statistics of trade in Canada is evident. The Dominion Bureau of Statistics does not compile statistics of Provincial trade, but merely for the Dominion. This inadequacy was pointed out in the case of the Province of Nova Scotia by the Royal Commission on Maritime Claims, 1926. On page 44 of their Report, they state:

"We have had brought before us the lack of any comprehensive measurement of the trade of the Maritime Provinces with other provinces and with foreign markets. We were ourselves disappointed not to be able to pursue investigations on trade matters along lines which such statistics would have enabled us to do. We found on enquiry at the Dominion Bureau of Statistics that consideration had been given some time ago to this very subject but, mainly through lack of organization in the statistics relating to certain phases of transportation, it was not possible to proceed with the plans that had been formulated. We strongly urge that these difficulties should be overcome, as they can be, and that on this phase of internal trade a system of statistics should be regularly available from as early a date as possible."

Nothing was done as a result of this recommendation, so that we are still without any comprehensive measurement by the Dominion Bureau of Statistics of the trade of any of the Provinces of Canada with other Provinces or with foreign countries.

British Columbia, at the present time, is hampered by the national policy of Canada, which has emphasized the development of manufacturing industries in the East at the expense of the primary industries. It is estimated that approximately 80 per cent. of the manufactured commodities imported into the Province of British Columbia is imported from Eastern Canada, while approximately 75 per cent. of our main primary products, apart from agriculture is sold in open competition in the world's markets. This means that

British Columbia has to buy in a protected market and sell in an unprotected market or, in other words, to buy in the dearest market and sell in the cheapest. In order that there may be a clear appreciation of the estimated trade position of British Columbia, a statement of the methods used in making this estimate is given.

IMPORTS.

Greater difficulty was met with in securing data in regard to imports than in the case of exports. For a certain portion of the imports, information is available in the reports of the Vancouver Harbour Commission and of the New Westminster Harbour Board. Data are also available for inter-provincial shipments of certain commodities such as lumber, coal, and agricultural products, but the great bulk of inter-provincial trade is unrecorded. Railway statistics, as at present published, provide an index of freight movements. Information with regard to other products, such as radio-receiving equipment and automobiles, is available from the Dominion Bureau of Statistics. Information with regard to liquor sales has been obtained from the British Columbia Liquor Control Board. These constitute the sources of direct information.

To supplement this information, an indirect method of estimating the value of other items in our trade has been developed. The estimated value of the total retail trade of British Columbia as prepared by the Dominion Bureau of Statistics has been used. This statement shows the value of retail trade according to the different kinds of establishments such as department stores, shoe stores, etc. From these figures is deducted the portion of the retail trade which is purely local in character. To do this we have assumed that the general relationship as shown in the census of 1931, for example, as between the sale of commodities and services rendered, has remained essentially the same since that time. Utilizing the 1931 percentage relationships, deductions have been made for the sale of foodstuffs, gasoline, lumber, second-hand articles, etc., and for service and similar transactions. Items which would be shown in the information obtained from the direct data are also deducted.

By this procedure the retail value of those articles, which are mainly imported from points outside the Province but regarding which no direct data are available, is obtained. The figure for the retail values of imported articles so ascertained is then reduced to wholesale values. Utilizing the information with regard to the spread between retail and wholesale prices in various commodities as shown in the Report of the Special Committee on Price Spreads and Mass Buying, the retail values are deflated to wholesale values by the appropriate "spreads." This total value had now to be segregated on the basis of the areas of origin of the various commodities. In order to secure a basis for this segregation a representative number of retail stores trading in goods of every kind affected in the analysis have been consulted by means of a questionnaire. These stores were requested to report for the particular year in question the percentage of their purchases in British Columbia, in Eastern Canada, in the United Kingdom, in other British Empire countries, in the United States, and in all other foreign countries, for the individual commodities or grouping of commodities sold by them. An analysis of these questionnaires was then made, and an estimate was derived of the probable proportion of these commodities imported from the various sources mentioned. In 1935 this proportion was found to be as follows:

	Per Cent.
Eastern Canada	80.0
United Kingdom	7.5
United States	2.5
Other Empire Countries .....	.5
Other Foreign Countries	2.0
British Columbia	7.5

This proportion was then applied to the wholesale values already derived, and a final estimate was obtained. The result is naturally an approximation, but it is believed that this approximation is sufficiently close to give a reasonably accurate picture of the import trade of British Columbia.

EXPORTS.

Information with regard to the exports of commodities from British Columbia is more definite and direct. The information, however, is given mainly in quantities, and it has been necessary in this case to apply reasonable domestic prices in order to determine the value of our shipments. These prices are based on information taken from "Prices and Price Indexes," published by the Dominion Bureau of Statistics, but in other cases accurate local information with regard to values was obtained from Provincial sources.

From the Provincial Department of Agriculture information was obtained with regard to export of apples and wool. Statistics of coal export were obtained from the Dominion Bureau of Statistics. From the records of the Vancouver Harbour Board and the New Westminster Harbour Commission we obtained the water-borne exports for a large number of commodities. From the British Columbia Lumber and Shingle Manufacturers' Association and the Pacific Lumber Inspection Bureau, information was obtained with regard to shipments of lumber. Receipts of gold and silver bullion at the Royal Mint from British Columbia have been recorded as an export to Eastern Canada. It is doubtful whether this item should be credited to Eastern Canada as an export from British Columbia. If this were deducted the adverse balance with Eastern Canada would appear still more serious, the amount credited in 1935 being \$8,731,047. There is, however, an item of base metals shown which is not included in Table 130. This would likely include shipments from Trail of lead, zinc, etc. There is no information as to what part of this is transhipped from Eastern Canada to other countries. The total amount in 1935 was 26,820 tons, with a probable value of about \$1,300,000. It will thus be seen that with regard to exports from the Province, indirect estimates have been less necessary than in the case of imports.

Table 131, compiled on this basis, shows that in the year 1935 approximately \$66,000,000 worth of goods were imported into British Columbia from other Canadian Provinces, and \$25,000,000 exported, or a total trade of approximately \$91,000,000. Imports from the British Empire excluding Canada amounted to approximately \$14,000,000 while exports to British Empire countries amounted to approximately \$35,000,000, or a total trade of \$49,000,000. Imports from foreign countries amounted to \$15,000,000, and exports to \$50,000,000, or a total trade of \$65,000,000. Table 131 shows an approximate balance of trade indicating that in 1935 total imports amounted to \$96,000,000 and total exports to \$110,000,000, leaving a favourable balance of \$14,000,000. Taking the internal trade of British Columbia with other parts

TABLE 130.

TRADE OF BRITISH COLUMBIA WITH OTHER PROVINCES OF CANADA.
1934.

Commodities.	WITH EASTERN CANADA.		WITH THE PRAIRIES.		TOTAL WITH CANADA.	
	Imports.	Exports.	Imports.	Exports.	Imports.	Exports.
Agricultural and Vegetable Products	\$721,484	\$503,083	\$3,113,581	\$3,820,619	\$3,835,065	\$4,597,602 (1)
Animals and Animal Products	726,108	2,200,477	6,128,361	.....	6,854,469	2,200,477
Fibres, Textiles, and Products	20,016	.....	.....	.....	20,016	.....
Wood and Paper Products	19,908	3,244,965	.....	3,351,187	19,908	7,534,630 (1)
Iron and its Products	4,765,301	.....	.....	.....	4,765,301	.....
Non-ferrous Metals and Products	745,524	6,255,327	.....	.....	745,524	6,255,327
Non-metallic Minerals and Products	403,506	4,138	285,313	274,801	688,819	278,939
Chemical and Allied Products	430,395	.....	.....	.....	430,395	.....
Miscellaneous Commodities (chiefly manufactured)	41,794,461	.....	.....	2,867,110	41,794,461	2,867,110
Totals	\$49,626,703	\$12,207,990	\$9,527,255	\$10,313,717	\$59,153,958	\$23,734,085

1935.

Agricultural and Vegetable Products	\$579,928	\$367,677	\$3,900,665	\$3,202,322	\$4,480,593	\$3,905,644 (1)
Animals and Animal Products	774,870	1,948,717	6,655,337	213,700	7,430,207	2,193,847 (1)
Fibres, Textiles, and Products	13,504	.....	.....	.....	13,504	.....
Wood and Paper Products	6,926	2,782,842	.....	3,468,458	6,926	7,318,180 (1)
Iron and its Products	6,413,812	.....	.....	.....	6,413,812	.....
Non-ferrous Metals and Products	807,809	8,756,624	.....	.....	807,809	8,756,624
Non-metallic Minerals and Products	355,817	28,164	472,247	236,682	828,064	264,969 (1)
Chemical and Allied Products	193,443	.....	.....	324,308	193,443	324,308
Miscellaneous Commodities (chiefly manufactured)	45,818,030	.....	.....	2,635,212	45,818,030	2,635,212
Totals	\$54,964,139	\$13,884,024	\$11,028,249	\$10,080,682	\$65,992,388	\$25,398,784

(1) Totals include a small proportion that could not be segregated by provinces.

of Canada, imports amounted to \$66,000,000, exports to \$25,000,000, leaving an approximate adverse balance of \$41,000,000. These figures indicate the character of the trade of British Columbia, showing clearly that the trade of the Province is mainly in two distinct markets:

- (1.) External, subject to all factors of world competition and world conditions generally; and
- (2.) Internal, subject to the effects of the national trade and tariff, and monetary, policy of Canada; that is, British Columbia buys in a protected market and sells in an unprotected market.

THE TERMS OF TRADE.

Having secured a reasonable picture of the trade position of British Columbia, an attempt was then made to estimate the economic effect on the people of this Province of the trade situation. In order to do this, a study was made of the real terms of trade of British Columbia in its two markets, internal and external, that is, an evaluation was made on the basis of barter or real exchange of goods for goods or values for values. This analysis is particularly important to an understanding of the position of British Columbia, because it is with the dollars secured from its foreign trade that British Columbia pays for the goods imported from Eastern Canada. The real effort employed and work done by the people of British Columbia in securing these dollars must be

TABLE 131.

TRADE OF BRITISH COLUMBIA WITH ALL COUNTRIES SHOWING THE APPROXIMATE BALANCE OF TRADE, 1934 AND 1935.
(In dollars.)

Country or Economic Area.	1934.				1935.			
	Imports.	Exports.	APPROXIMATE BALANCE OF TRADE.		Imports.	Exports.	APPROXIMATE BALANCE OF TRADE.	
			Favourable.	Adverse.			Favourable.	Adverse.
Africa	410,992	756,864	345,872	.....	77,880	899,590	821,710	.....
North Africa and Mediterranean .....	.....	248,613	248,613	.....	.....	145,783	145,783	.....
America, South	745,352	885,979	140,627	.....	550,528	641,873	91,345	.....
America, North (excluding Canada)	11,169,730	22,324,681	11,154,951	.....	12,132,598	34,752,003	22,619,405	.....
Canada	59,153,958	23,734,085	.....	35,419,873	65,992,388	25,338,784	.....	40,593,604
Asia	1,939,188	11,576,845	9,637,657	.....	1,577,236	11,286,424	9,709,188	.....
East Indies and Philippine Islands	1,070,283	521,554	.....	548,729	1,450,309	488,632	.....	941,677
Europe, Continent	1,021,170	2,709,652	1,688,482	.....	1,323,530	2,198,464	874,934	.....
United Kingdom	8,708,401	22,596,783	13,888,382	.....	8,752,087	27,276,742	18,524,655	.....
Oceania	2,476,330	5,952,585	3,476,255	.....	2,490,988	6,238,868	3,747,880	.....
Plus Imports from British Empire (other than United Kingdom) (1)	261,215	.....	.....	261,215	286,363	.....	.....	286,363
Plus Imports from and Exports to Foreign Countries, N.O.C.	1,061,999	671,519	.....	390,480	1,164,328	756,332	.....	407,996
Total External and Internal Trade	88,018,618	91,979,160	3,960,542	.....	95,778,235	110,083,495	14,305,260	.....
Less Canadian Internal Trade	59,153,958	23,734,085	.....	35,419,873	65,992,388	25,338,784	.....	40,593,604
External Trade	28,864,660	68,245,075	39,380,415	.....	29,785,847	84,634,711	54,898,864	.....

(1) British Columbia, Department of Labour, Economic Council, "The Trade of British Columbia, 1935," Table 61.

SOURCE: British Columbia, Department of Labour, Economic Council, "The Trade of British Columbia, 1935," Summary Table B.

measured against the real values obtained from Eastern Canada. A study of this exchange of values indicates that the people of British Columbia lose because of the trading situation in which this Province is placed by the national policy.

This situation not only causes an immediate loss to the people of British Columbia, but has an indirect effect on the economic activity of the Province. Internal adjustments have to be made to meet the unequal situation which tends to restrict economic enterprise. The situation becomes very clear in a period of falling prices. In contrast to the behaviour of British Columbia export prices, the manufactured commodities of Eastern Canada tend to resist falling prices. There are several factors which make this resistance possible, but the dominating factor is that these products are sold largely on the protected home market and therefore are not directly exposed to the pressure of world competition. This makes possible a degree of control of production, and consequently of prices, which is impossible to British Columbia exporters.

This study of the terms of trade between Eastern Canada and British Columbia was designed to show the effect which this trade situation has had on the relative purchasing power of the people of British Columbia. As the main trade of British Columbia with Eastern Canada is with the provinces of Ontario and Quebec, these Provinces were taken as the basis of comparison. The position in which British Columbia finds itself is that in order to secure purchasing power with which to purchase goods from Eastern Canada its products must be sold to other countries. Consequently, factors entirely outside the national policy of Canada affect the purchasing power of British Columbia. The objective in this study has been as far as possible to measure the effect of these external factors on this purchasing power of British Columbia. To do this it was necessary to bring the trade position of British Columbia into a direct barter relation with the trade position of Ontario and Quebec, from which British Columbia purchases the major portion of its consumption of manufactured goods and which constitute a definite and different economic area, by establishing comparable indexes of prices for British Columbia and for Ontario and Quebec.

In order to show the variations between the prices received by British Columbia for its exports and the prices paid by British Columbia for Eastern Canadian manufactures, two weighted indexes were prepared, one representing twenty-one principal British Columbia exports, the other representing eighteen principal products imported into British Columbia from Eastern Canada. These indexes cover the price variations over the period 1926-1935. Further to these price indexes, a terms of trade index was prepared by deriving the percentage which the index of export prices was of the index of import prices.

In the absence of reliable and comparable export price statistics, it was necessary to devise a uniform method of establishing export prices. It was decided to compute average prices from information given by the Dominion Bureau of Statistics in the "Trade of Canada." For instance, in the case of fresh salmon, a British Columbia export, an average price could be established sufficiently accurately for our purposes by dividing the value of Canada's export of salmon by the quantity. However, in certain cases, such as apples, total value would include the exports of Nova Scotia and the computed prices would not be entirely British Columbia export prices. It was, however, the only practical method ensuring uniformity of data. The twenty-one commodities,

TABLE 132.

THE EXPORT TRADE OF BRITISH COLUMBIA IN 1935 SHOWING THE PRINCIPAL COMMODITIES EXPORTED TO ALL COUNTRIES AND TO THE SEVEN LEADING IMPORTING COUNTRIES OR AREAS.

(In dollars.)

Commodity.	All Countries.	United Kingdom.	United States (includes Alaska).	CANADA.			Japan.	China (includes Orient, N.O.C.).	Australia.
				Prairies.	Eastern Canada.	(d) Total Canada.			
Agricultural Products:									
Apples	4,635,033	2,789,545	7,055	1,290,250	305,520	1,595,770	—	79	—
Other fruit	1,190,325	69,828	—	1,110,033	9,864	1,119,897	—	120	—
Vegetables	853,500	—	—	802,039	—	802,039	—	—	—
All other products	1,896,895	605,603	388,279	213,700	166,065	746,840	63,883	55,602	2,295
	8,575,753	3,464,976	395,334	—	—	4,264,546	63,883	55,801	2,295
Fishery Products:									
Canned salmon	9,347,379	4,387,222	61,736	—	1,782,038	1,782,038	48	3,333	2,018,321
Fresh and frozen fish	841,373	623,520	48,178	—	—	—	21,260	7,317	5,438
Salt herring	323,334	—	13,608	—	—	—	132,177	177,549	—
Cured fish	506,658	151,997	18,326	—	—	—	—	1,500	12,806
Fish-meal	152,794	125,695	—	—	—	—	—	—	—
Fish-oil	181,364	107,137	—	—	65	65	—	—	—
Salt salmon	398,921	—	—	—	549	549	352,684	46,237	—
All other products	166,715	733	82,416	—	—	—	36,140	—	46,877
	11,918,538	5,396,304	224,264	—	—	1,782,652	542,309	235,936	2,083,942
Forestry Products:									
Lumber	18,976,008	7,088,648	2,161,201	2,645,170	2,455,299	5,100,469	519,543	1,150,438	1,653,619
Logs	2,064,357	5,358	970,270	22,544	—	22,544	261,133	76,712	706,372
Doors	1,493,153	1,492,050	29	—	—	—	—	—	—
Shingles	8,345,107	23,417	7,590,786	388,448	326,560	715,008	—	53	1,203
Pulp and paper	12,538,805	140,118	4,473,650	—	—	1,003,844	5,034,209	236,385	939,798
Lath	18,910	—	11,818	—	—	—	—	2,996	—
Box-shooks	360,044	15,608	588	—	983	983	—	—	186,524
All other products	1,169,023	—	681,663	412,296	—	476,332	3,133	8,901	—
	44,965,413	8,765,199	15,890,005	—	—	7,318,180	5,818,018	1,472,489	3,441,012
Mineral Products:									
Gold	14,731,792	—	6,000,745	—	8,731,047	8,731,047	—	—	—
Silver bullion	5,756,460	—	5,731,180	—	25,280	25,280	—	—	—
Copper in all forms	5,141,240	—	5,141,240	—	—	—	—	—	—
Lead and zinc	12,857,473	9,311,267	18,280	—	—	—	2,485,975	256,937	—
Lead in ore	289,651	24,198	4,570	—	—	—	—	—	—
Cadmium	314,640	314,640	—	—	—	—	—	—	—
Coal	1,000,525	—	229,089	236,682	28,164	264,969	27,360	—	—
Coke	13,731	—	13,731	—	—	—	—	—	—
Sulphate of ammonia	713,982	—	121,545	—	—	—	29,949	107,953	—
Ammonium phosphate	496,393	—	127,961	324,308	—	324,308	—	—	—
	41,315,857	9,650,105	17,388,341	—	—	9,345,604	2,543,284	364,890	—
Miscellaneous	3,307,904	158	29,788	2,635,212	52,590	2,687,802	188,668	245	—
Totals	110,083,495	27,276,742	33,927,732	10,080,682	13,884,024	25,398,784	9,156,162	2,129,361	5,527,249

(a) Exports from Port of Vancouver only.

(b) Exports from Port of New Westminster only.

(c) Exports from Ports of Vancouver and New Westminster only.

(d) Includes items not allocated to Prairies or Eastern Canada.

SOURCE: British Columbia, Department of Labour, Economic Council, "The Trade of British Columbia, 1935," Summary Table E-2.

given in the list below, were selected and prices for each of these products were computed over the period 1926 to 1935. The index, developed for simplicity, was a weighted aggregate using a computed 1926 monthly average as the base:

Fresh apples	Wood shingles
Fresh halibut	Pulp-wood
Fresh salmon	Wood-pulp
Canned salmon	Newsprint
Pickled salmon	Copper ore
Condensed milk	Copper blister
Cedar logs	Lead in pigs
Douglas fir logs	Silver in pigs
Hemlock logs	Zinc spelter
Douglas fir, planks, boards	Ammonium sulphate
Douglas fir, square timber	

Each commodity was assigned a suitable weight. The weights were based on the annual volume of British Columbia production exported in each year 1926 to 1935 for each commodity. Table 133 shows the physical quantities used as weights.

TABLE 133.
WEIGHTS FOR THE EXPORT PRICE INDEX.
(BASED ON ANNUAL VOLUME OF BRITISH COLUMBIA'S PRODUCTION EXPORTED.)
(In tens of thousands.)

Commodity.	Unit.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
Fresh apples	bbl.	72.1	60.8	91.6	74.0	97.3	78.0	123.2	109.1	119.0	114.3
Halibut	cwt.	4.1	3.2	4.4	4.9	3.6	3.8	1.4	4.2	4.3	5.3
Fresh and frozen salmon	cwt.	7.8	7.8	8.4	6.9	9.4	9.8	8.5	11.3	10.8	12.0
Canned salmon	cwt.	59.8	54.9	64.3	60.5	45.7	41.0	37.6	46.0	39.2	50.8
Pickled salmon	cwt.	2.3	2.4	2.4	2.3	2.2	1.7	1.5	2.2	2.7	2.9
Condensed milk	cwt.	2.2	1.7	2.1	1.8	2.5	4.0	4.4	4.7	6.2	7.2
Cedar logs	M. ft.	18.1	14.3	16.6	10.9	5.5	6.1	6.9	7.5	3.7	2.7
Douglas fir logs	M. ft.	9.4	16.0	10.9	14.7	13.3	13.6	10.0	17.5	16.0	23.7
Hemlock logs	M. ft.	2.3	4.0	3.6	3.2	2.7	4.2	1.6	1.1	2.8	4.3
Douglas fir planks	M. ft.	54.5	56.1	48.9	54.6	59.0	38.6	24.3	39.3	54.8	62.5
Douglas fir, square timber	M. ft.	11.2	11.9	17.0	19.2	14.8	12.0	11.0	12.0	12.0	9.0
Wood shingles (1)	M.	186.9	149.5	157.3	131.1	95.1	75.6	94.0	104.9	157.2	357.8
Pulp-wood	cord	1.6	2.0	2.1	2.4	1.9	1.3	1.6	2.0	1.9	1.6
Wood-pulp	cwt.	78.7	102.5	100.7	81.3	113.8	122.9	64.6	112.9	152.7	144.5
Newsprint (2)	cwt.	283.1	342.4	360.8	321.6	359.9	348.1	328.1	379.4	427.8	419.4
Copper ore	cwt.	46.8	42.0	34.5	30.7	25.1	29.4	26.0	30.1	65.3	76.6
Copper blister	cwt.	31.5	31.3	47.3	52.4	49.5	22.7	14.0	12.8		
Lead in pigs	cwt.	202.5	239.4	255.4	228.4	205.4	216.4	214.0	284.3	283.2	282.9
Silver in ore	oz.	589.0	544.5	681.6	705.8	847.3	401.7	348.8	336.2	175.4	186.4
Zinc spelter	cwt.	96.0	112.4	127.2	135.1	151.0	238.0	175.3	173.5	237.9	270.9
Ammonium sulphate	cwt.	32.8	33.9	27.3	49.0	24.0	11.3	77.5	124.8	115.4	90.1

(1) From 1926-1933 only total wood shingles available—75% was taken as British Columbia's share of foreign export. For 1934-1935 red cedar shingles export available—total is taken as exported from British Columbia.

(2) Newsprint paper: Export from British Columbia not available. Production in British Columbia obtained and only 80% is taken as foreign export.

SOURCES: Canada: Dominion Bureau of Statistics, Trade of Canada.

Canada: Census of Industry: Pulp and Paper Industry.

British Columbia: Department of Lands: Report of the Forest Branch.

British Columbia: Department of Agriculture: Agriculture Statistics, 1926 to 1935, inclusive.

In constructing the price index of the principal products imported into British Columbia from Eastern Canada, wholesale price relatives compiled by the Dominion Bureau of Statistics with 1926 equal to 100 were used. The following eighteen commodities were taken as representative:

Rubber and its products
Tobacco
Leather manufactured (boots
and shoes)
Cotton fabrics
Silk hosiery
Artificial silk and its products
Wool hosiery and knit goods
Silk fabrics
Hardware

Wire
Pottery
Salt
Asbestos
Paint materials
Drugs and pharmaceutical
chemicals
Rolling-mill products
Wool blankets
Matches

The eighteen price relatives included for the most part all the principal products imported into British Columbia from Eastern Canada. Each price relative was assigned a weight based on the value of British Columbia's consumption of these commodities imported from Ontario and Quebec. Gross production values less exports to foreign countries were taken as a total value of these commodities consumed in Canada, and British Columbia was assigned a share of this consumption on a per capita basis for each of the years 1926 to 1935 inclusive. Table 134 shows the weights used in the import price index. This index is weighted on the basis of values, and takes into consideration the relative importance of each commodity price from year to year.

The Export Price Index, Import Price Index, and resulting Barter Terms of Trade Index is shown in Table 135. Chart III. indicates graphically the position of British Columbia, showing that this Province has been in a position

CHART III.

INDEX OF THE BARTER TERMS OF TRADE BETWEEN BRITISH COLUMBIA
AND THE PROVINCES OF ONTARIO AND QUEBEC (EASTERN CANADA).

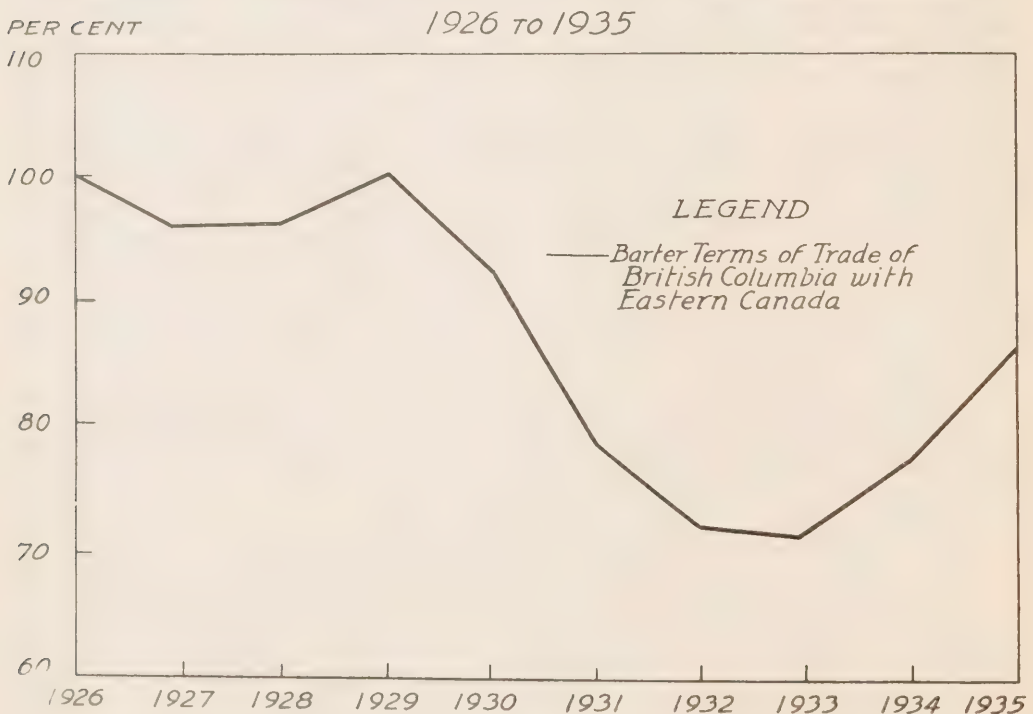


TABLE 134.

WEIGHTS FOR THE IMPORT PRICE INDEX.

(BASED ON BRITISH COLUMBIA'S PER CAPITA SHARE OF THE PRODUCTION VALUE OF EASTERN CANADIAN MANUFACTURES CONSUMED IN CANADA, 1926 TO 1935, INCLUSIVE.)

Manufactured Product.	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
Rubber and its products.....	3,881,694	4,099,192	4,335,464	4,255,718	3,212,341	2,694,032	2,283,357	2,257,582	2,089,197	2,915,601
Tobacco (cigars and cigarettes).....	3,203,632	3,606,556	3,979,578	4,226,148	5,671,569	5,010,759	2,503,134	2,451,764	2,591,167	2,624,379
Boots and shoes (leather).....	2,938,203	3,046,599	3,237,829	3,173,462	2,664,246	2,446,045	2,157,039	2,148,213	2,219,090	2,392,460
Cotton fabrics.....	5,536,470	5,608,969	5,905,706	5,874,716	3,825,766	3,371,288	2,962,797	3,824,399	4,726,680	4,517,816
Silk hosiery, real.....	691,480	719,743	636,354	725,596	801,709	629,587	615,556	559,189	596,431	622,529
Real silk fabrics.....	694,809	725,349	583,609	590,988	592,763	699,102	676,703	561,567	525,254	543,940
Artificial silk products.....	611,022	702,130	734,484	841,195	758,086	678,471	691,082	863,647	1,309,261	1,276,202
Wool hosiery and knit goods.....	1,557,638	1,642,259	1,706,681	1,474,145	1,244,559	1,176,135	1,114,486	1,017,036	1,178,678	1,086,253
Wool blankets.....	64,120	64,650	76,983	80,608	73,574	47,520	34,787	40,468	72,096	79,388
Matches.....	78,851	80,269	86,804	134,952	136,573	138,420	81,171	107,450	110,878	101,754
Rolling-mill and associated products.....	8,468,694	8,993,230	9,370,354	14,123,832	11,790,204	8,633,773	4,539,023	4,083,093	4,836,613	5,523,550
Hardware, tools, and cutlery.....	1,373,122	1,535,904	1,643,720	1,889,970	1,626,511	966,644	686,159	627,178	842,828	973,342
Wire total.....	1,048,196	1,026,132	1,168,429	1,358,269	1,163,194	938,168	693,038	685,780	958,398	1,015,679
Pottery (domestic clay).....	16,030	16,163	23,210	21,237	19,526	17,199	16,408	13,499	15,467	14,816
Asbestos.....	95,352	103,244	129,354	142,767	139,866	80,130	66,493	45,634	53,241	69,150
Salt.....	130,171	102,915	95,135	99,046	107,292	123,682	128,076	126,415	131,821	75,889
Paints, pigments, and varnishes.....	1,476,466	1,519,417	1,690,116	1,652,644	1,476,176	1,150,996	913,890	900,892	1,162,660	1,244,695
Medical and pharmaceutical preparations.....	949,907	673,176	797,982	1,197,888	1,134,704	1,186,433	1,122,838	1,095,203	1,129,854	1,366,413

SOURCE: Dominion Bureau of Statistics, Census of Industry Series.

TABLE 135.

EXPORT PRICE INDEX, IMPORT PRICE INDEX, AND THE BARTER TERMS OF TRADE BETWEEN EASTERN CANADA AND BRITISH COLUMBIA, 1926-1935.

(1926=100.)

Year.	Export Index.	Import Index.	Barter Terms of Trade.
1926	100.00	100.00	100.00
1927	89.20	93.76	95.14
1928	87.68	91.55	96.02
1929	91.18	91.13	100.05
1930	78.77	85.07	92.59
1931	60.87	77.06	78.99
1932	53.87	74.75	72.07
1933	52.42	73.40	71.42
1934	57.42	73.96	77.64
1935	61.96	72.13	85.90

of disadvantage during the period over which these calculations were made. An attempt was made to push this analysis farther back and to include a longer period of time. Because of the impossibility of securing comparable data these studies had to be separate, but the results would indicate that this situation has prevailed at least since before the Great War, with the exception of the years 1915 and 1916, when, owing to war conditions British Columbia was receiving a high price for her exports.

Further to this study an attempt was made to estimate the economic effects of this situation on British Columbia. In order to do this the volume of trade was studied, and an index of railway freight unloadings was developed as the only material available to determine this. An index of actual tonnage based on the summary of monthly traffic reports of the Dominion Bureau of Statistics was prepared (Table 136).

Chart IV. shows the relation of the railway tonnage as a measurement of the volume of trade to the terms of trade between British Columbia and Eastern Canada, 1926 to 1935.

As far as possible the commodities included in the index of railway freight unloadings were restricted to Eastern Canadian products, as the following list will show:

Iron, pig, and bloom
 Iron and steel (bar, sheet,
 structural, pipe)
 Automobiles, auto-trucks, and
 auto-parts
 Liquid beverages
 Other manufactures and mis-
 cellaneous

Rails and fastenings
 Casings, machinery and boilers
 Agricultural implements and
 vehicles other than autos
 Furniture
 Canned goods (except meats)
 Merchandise (all L.C.L.
 freight)

The significant features of the trade of British Columbia with Eastern Canada as revealed from this analysis are illustrated by the comparison of the movement of these two indexes.

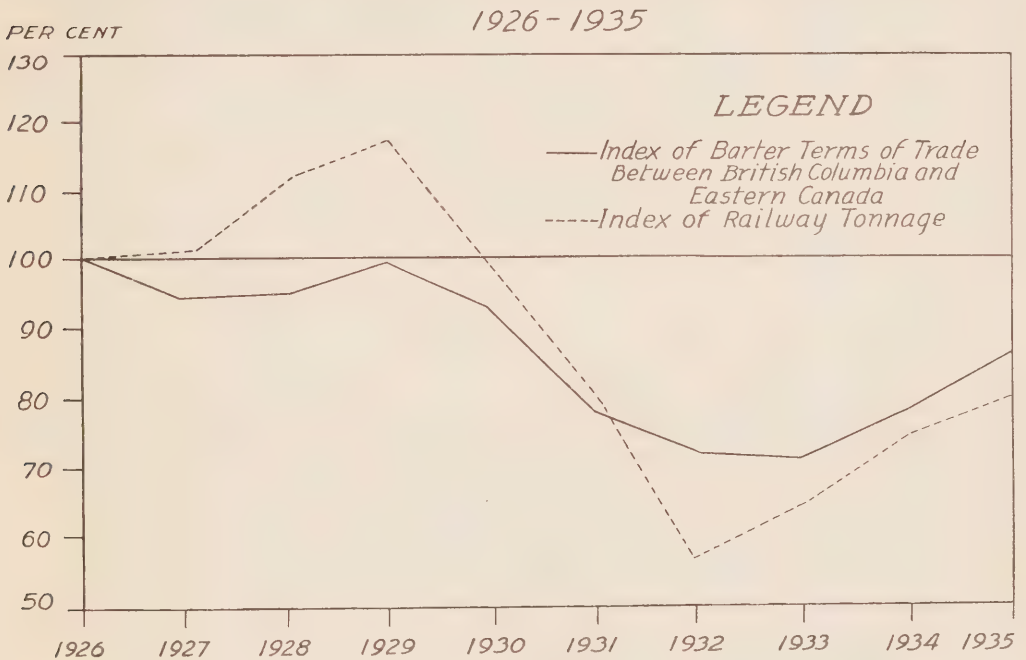
As British Columbia is to such a large extent dependent on foreign export trade, it was assumed that there would likely be a definite relationship between the trend of general economic activity in the Province and the trend of foreign trade. To determine the validity of this assumption an index of economic activity in British Columbia was constructed, using three factors:

TABLE 136.
INDEX OF RAILWAY FREIGHT UNLOADINGS IN BRITISH COLUMBIA.
(5-year Average, 1923-27=100.)

Year.	Index of Freight Unloadings.	Year.	Index of Freight Unloadings.
1926	100.00	1932	57.10
1927	100.21	1933	64.68
1928	112.68	1934	76.93
1929	117.07	1935	81.168
1930	99.08	1936	92.288
1931	82.17	1937 .....	.....

CHART IV.

THE RELATION OF RAILWAY TONNAGE AS A MEASUREMENT OF THE VOLUME OF TRADE TO THE BARTER TERMS OF TRADE BETWEEN BRITISH COLUMBIA AND EASTERN CANADA.



1. Employment, using the Dominion Bureau of Statistics index of employment in British Columbia, 1926 being the base year;
2. Bank debits to individual accounts in British Columbia;
3. Index of car-loadings for the Western Division, 1926=100, published by the Dominion Bureau of Statistics.

These factors were weighted, on the basis of their importance as follows: employment, 1; bank debits, 2; car-loadings, 1. The results obtained from this analysis are shown in Chart V. From this it is clear that economic activity in British Columbia is in a very large measure influenced by export conditions.

In order to make a comparison with Ontario and Quebec, which constitute a definite economic area different in character from British Columbia, a similar analysis of the economic activity of this area was made. A price index was

constructed covering the principal commodities exported from this area and sold on world markets. (See Table 137.) Export price indexes were taken from the Dominion Bureau of Statistics, 1926 being the base year. In Chart

CHART V.

THE RELATION OF THE TREND OF FOREIGN TRADE AS MEASURED BY AN INDEX OF PRICES OF BRITISH COLUMBIA PRODUCTS EXPORTED FROM CANADA, TO THE TREND OF GENERAL ECONOMIC ACTIVITY IN BRITISH COLUMBIA, 1926 TO 1935.

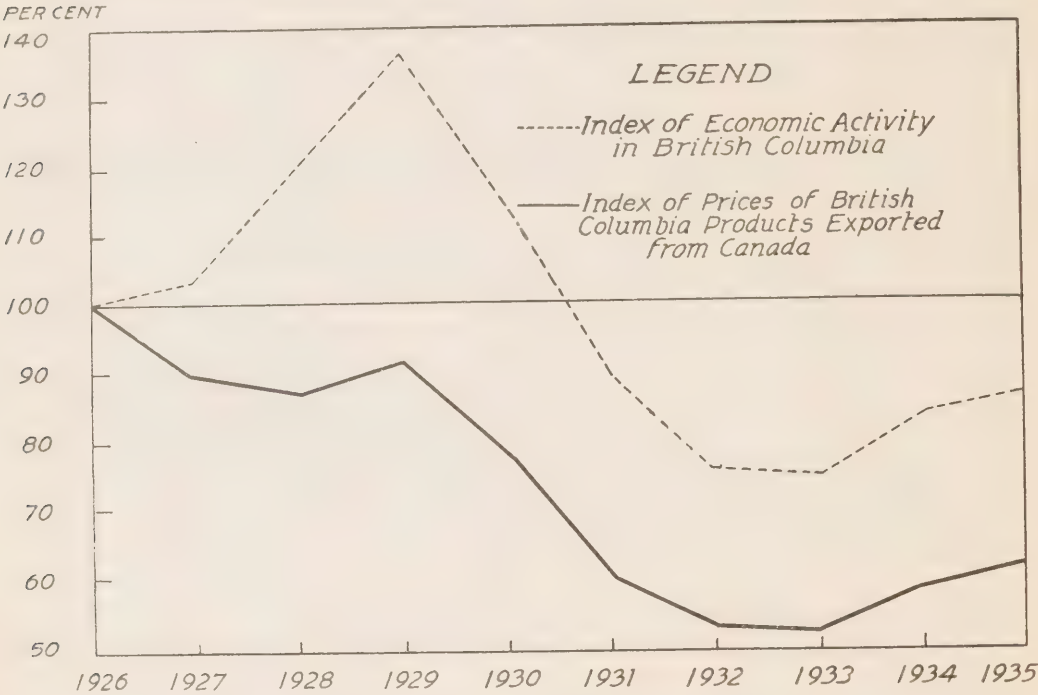


TABLE 137.

PRICE INDEX OF CERTAIN PRINCIPAL EASTERN CANADA PRODUCTS EXPORTED FROM CANADA, 1926-1935.

Fully and Chiefly Manufactured Articles of	EXPORT PRICE INDEXES.									
	1926.	1927.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
<i>Origin:</i>										
Farm	100	96.9	93.9	90.7	84.0	69.5	67.1	71.3	73.9	72.9
Animal	100	95.8	97.7	98.5	89.4	71.6	61.1	62.5	69.8	70.0
Forest	100	99.5	97.9	87.8	86.4	78.7	68.9	58.5	56.2	59.2
Mineral	100	94.6	91.8	92.8	90.3	85.1	84.9	84.9	86.0	84.9
Totals	400	386.8	381.3	369.8	350.1	304.9	282.0	277.2	285.9	287.0
Index (Yearly Average)	100	96.7	95.3	92.5	87.5	76.2	70.5	69.3	71.5	71.8

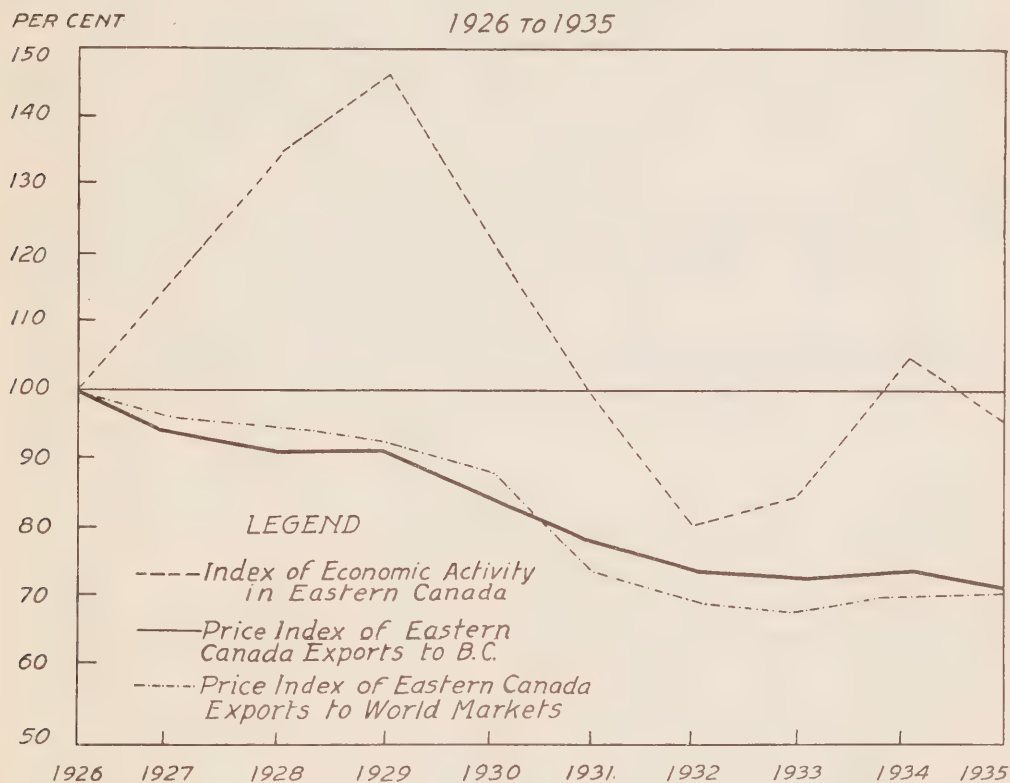
SOURCE: Canada, Dominion Bureau of Statistics, 1926-1935, "Prices and Price Indexes, 1913-1935."

VI. the index of export prices from this area, also an index of economic activity, are shown, together with the price index of British Columbia imports from this area (Table 138). This shows the relation between the export market situation in Ontario and Quebec, and the economic activity in those Prov-

inces. In contrast to British Columbia there is no visible relationship between export prices and economic activity. The reason is that in this particular economic area other factors are more important in relation to economic activity than export prices. The main factor is the large protected internal market which is enjoyed by Ontario and Quebec.

CHART VI.

THE RELATION OF THE INDEX OF ECONOMIC ACTIVITY IN EASTERN CANADA TO THE PRICE INDEX OF EASTERN CANADA EXPORTS TO BRITISH COLUMBIA AND TO THE PRICE INDEX OF EASTERN CANADA EXPORTS TO WORLD MARKETS.



In Chart VII. a comparison is made between the economic activity in British Columbia and in Ontario and Quebec, the economic activity in British Columbia being expressed as a percentage of economic activity in Ontario and Quebec. From 1927 to 1935 British Columbia has never once regained its position relative to Eastern Canada. For statistical reasons it has been necessary to assume that in 1926 the terms of trade between British Columbia and Eastern Canada were equal. It is certain, however, that even in 1926 British Columbia was in an unfavourable position, so that the actual position of British Columbia has been, and is, more unfavourable than that actually shown in these Charts.

Under the present trade policy of Canada, British Columbia tends to have an unfavourable barter position with Eastern Canada. Regardless of the present roundabout method by which British Columbia's purchases in Eastern Canada are financed, ultimately the people of British Columbia exchange their

CHART VII.

ECONOMIC ACTIVITY IN BRITISH COLUMBIA AS A PERCENTAGE ECONOMIC ACTIVITY IN EASTERN CANADA.

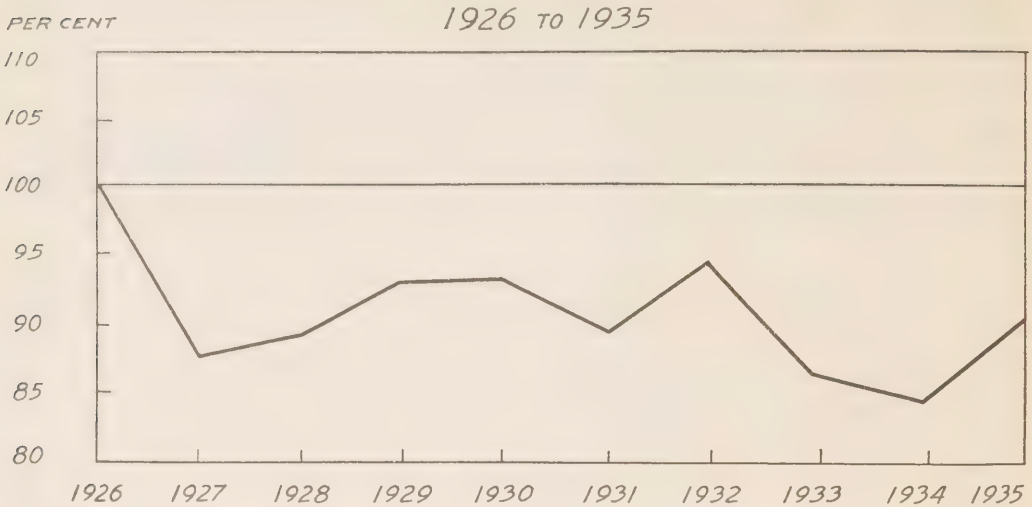


TABLE 138.

A COMPARISON OF THE INDEX OF ECONOMIC ACTIVITY IN BRITISH COLUMBIA AND EASTERN CANADA, CALENDAR YEARS 1926-1935, INCLUSIVE.

Year.	Economic Activity in British Columbia.	Economic Activity in Eastern Canada.	Economic Activity in B.C. as Per Cent. of Economic Activity in E.C.
1926	100.14	100.00	100.13
1927	103.55	117.81	87.89
1928	120.41	134.78	89.34
1929	136.61	146.01	93.56
1930	114.89	122.91	93.47
1931	89.46	99.73	89.65
1932	76.46	81.08	94.30
1933	74.14	85.54	86.67
1934	82.39	97.67	84.35
1935	86.10	94.29	91.31

fish, lumber, minerals, fruits, etc., for boots, clothes, furniture, automobiles, machinery, etc., purchased from Eastern Canada. The unfavourable trade position leads to a curtailment of purchases in Eastern Canada. In addition, the decline in economic activity in British Columbia, consequent upon diminishing export values, has placed a strain upon the economy of British Columbia. All overhead charges, such as public, business, and private debts, have become proportionately harder to carry. Additional burdens have been placed on the government in taking care of the increased number of unemployed. All fixed charges of any nature whatsoever have become harder to bear.

The disadvantageous trade position of British Columbia is not the result of the depression. It has been demonstrated that it existed before the depression, and it is indicated that it has prevailed over a long period of time. Nor is it due to the relatively greater fall in the prices of primary products during the depression as compared with manufactured products. This latter is a separate phenomenon, and undoubtedly has been a factor in increasing the

economic difficulties of this Province. The disadvantage, however, based on the terms of trade, has existed regardless of the relative movement of prices of different commodities. It is based essentially on the fact that British Columbia trades in two markets which are different in character, one protected and the other unprotected. The disadvantage exists regardless of other factors affecting the prices of individual commodities and is due to the national trade and tariff policy of Canada. In other words, the people of British Columbia have to exert greater effort and do more work in order to create exchange values to pay for manufactured goods from Eastern Canada than would be the case if they were free to purchase these goods in the markets in which they sell.

It may also be pointed out that by the favourable balance of trade of the Province with foreign countries producers in British Columbia are creating foreign exchange under disadvantageous conditions, which becomes available to Canada as a whole in meeting its foreign obligations.

Another result of the national policy is that there is a tendency for the head offices of large business and financial institutions to be located in Eastern Canadian centres. There may have been natural reasons for this in the earlier development of Canada, but the influence of tariff policy has been to perpetuate this concentration. This means that profits earned in British Columbia flow to the East, and circulating there, create additional employment. Additional direct employment is given in these offices themselves. In this way the people of British Columbia are creating employment for residents of Ontario and Quebec.

THE ARTIFICIAL AND ARBITRARY COSTS OF TRANSPORTATION.

One of the most important indirect effects of the national policy has been that on the movement of commodities within the Dominion. Because of the tariff British Columbia consumers found their cheapest source of supply to be in Eastern Canada; consequently, there is a commodity movement of relatively high value westward which may proceed by rail or by water. These manufactured commodities, since they are of relatively high value, can and do bear relatively high freight rates. On the other hand, Eastern Canada draws from British Columbia for certain of its requirements for lumber, canned salmon, and other primary and semi-manufactured products. The commodities supplied by British Columbia are of relatively low value and can bear relatively low freight rates. This general situation is true whether the goods move by rail or by water.

Statistics of railway tonnage originating and terminating in British Columbia must be used with care. Table 139 shows consistently in the period 1927-1936 a net inward movement of goods into British Columbia. These figures, however, do not give a true picture of the situation, as a study of column 4 in this table will show. A considerable part of the tonnage shown as terminating in British Columbia is actually the tonnage of grain passing through to be delivered to foreign countries.

In Table 140 a comparison is made of the water-borne movement at the Ports of Vancouver and New Westminster during the years 1927 to 1936. Through these two ports the great bulk of British Columbia's foreign trade

moves.¹ The table compares the total deep-sea tonnage moving inward with the tonnage moving outward and indicates that there has been an average net outward movement of 2,264,414 tons. Local coastwise shipping has been excluded from this table. This indicates a considerable volume of shipping entering British Columbia ports in ballast. The commodities exported from British Columbia in these ships must bear the total two-way cost. In this we have another instance of a disadvantage to British Columbia through buying in an internal market and selling in an external one. If British Columbia consumers bought in the markets in which they sell they would be able to secure more favourable freight rates on their exports.

TABLE 139.
RAILWAY REVENUE FREIGHT TONNAGE ORIGINATING AND TERMINATING
IN BRITISH COLUMBIA, 1927 TO 1936.
(In tons.)

Year.	1. Total Freight Originated in British Columbia.	2. Total Freight Terminated in British Columbia.	3. Net Inward Movement Into British Columbia.	4. Wheat, Oats, Barley, Rye, and Flour Delivered to Foreign Connections.
	Tons.	Tons.	Tons.	Tons.
1927	7,194,577	7,852,996	658,419	1,521,984
1928	7,810,077	10,130,488	2,320,411	3,447,813
1929	7,836,649	9,326,846	1,490,197	2,519,544
1930	6,161,192	7,370,747	1,209,555	2,160,105
1931	4,337,882	6,004,864	1,666,982	2,282,351
1932	3,350,424	5,983,214	2,632,790	3,223,666
1933	3,402,547	5,210,539	1,807,992	2,249,816
1934	4,126,982	5,274,627	1,147,645	1,758,398
1935	4,122,057	5,311,916	1,189,859	1,622,595
1936	4,336,212	5,718,659	1,382,447	1,805,465
Average Net Inward Movement, 10 years			1,550,429	

SOURCE: Canada, Dominion Bureau of Statistics, "Summary of Monthly Railway Traffic Reports," 1928-1936.

(1) In the calendar year 1936 the foreign trade through the principal British Columbia ports was reported by the Dominion Bureau of Statistics to be as follows:

	Exports.	Imports.
Nanaimo	\$8,548,210	\$123,860
New Westminster	39,208,275	2,416,783
Prince Rupert	4,377,792	663,063
Vancouver	97,597,074	45,453,857
Victoria	3,719,504	5,176,257
Total, All Ports	\$157,564,668	\$54,248,568
Total, Vancouver and New Westminster	\$136,805,349	\$47,870,640

SOURCE: Canada: Dominion Bureau of Statistics, "Trade of Canada," Calendar Year 1936.

TABLE 140.

DEEP SEA WATER-BORNE TONNAGE ORIGINATING AND TERMINATING AT
THE PORTS OF VANCOUVER AND NEW WESTMINSTER.

(Includes Foreign Coastwise Shipping but not Local Coastwise Shipping.) (1)

Year.	Tonnage Inward.	Tonnage Outward.	Net Outward Movement.
	Tons.	Tons.	Tons.
1927.....	1,347,011	3,052,977	1,705,966
1928.....	1,351,063	4,769,451	3,418,388
1929.....	1,773,136	4,037,618	2,264,482
1930.....	1,606,234	3,278,301	1,672,067
1931.....	1,401,979	3,378,014	1,976,035
1932.....	1,306,344	4,263,922	2,957,578
1933.....	1,209,281	3,581,600	2,372,319
1934.....	1,419,690	3,427,371	2,007,681
1935.....	1,400,577	3,253,899	1,853,322
1936.....	1,757,230	4,173,531	2,416,301
Average Net Outward Movement, 10 Years			2,264,414

(1) "Local Coastwise" includes vessels trading in British Columbia waters only.

"Foreign Coastwise" includes all vessels trading in Puget Sound and Alaska.

"Deep Sea" includes all vessels trading outside of Cape Flattery.

SOURCE: Vancouver Harbour Commission, Annual Reports.

New Westminster Harbour Commission, Annual Reports.

In this submission the problem is presented in three sections. In Section one is discussed certain aspects of the railway rate structure dealing in particular with the contention that rates established on the principle of charging what the traffic will bear, do under the circumstances impose an undue burden on British Columbia consumers. In Section two is discussed the effect of the intercoastal water competition, with special reference to the contention dealt with in section one. In Section three is discussed the general effect of the National Policy on the ocean freight rates which British Columbia exporters are obliged to pay.

TRAFFIC MOVING BETWEEN EASTERN CANADA AND
BRITISH COLUMBIA.

British Columbia, because of its geographic position, might reasonably be expected to pay more in freight charges on goods imported from Ontario and Quebec than those Provinces more closely situated. However, the railway freight rate structure places an additional burden over and above that of geography on consumers situated in British Columbia.

There can be little doubt that freight rates must be borne ultimately by the consumers, although it may be extremely difficult to show specifically the freight proportion in the retail price of any particular commodity. In bearing the freight charge, the consumer is also paying the several accumulated freight charges which have been incurred in production. Professor W. T. Jackman describes this cumulative effect in these words:

"But while transportation costs may seem to be insignificant in the prices charged for high-grade manufactures, yet the influence of the freight rates upon the raw materials of industry has frequently been increased by several successive additions as the product passes from stage to stage. For example, the furniture manufacturing

company pays the inbound freight on its lumber and other products, and upon that freight charge and other manufacturing costs it figures its profit in the selling of the product. The wholesaler makes it the basis of another addition and the retailer in like manner adds a third profit. So that, while the amount of the freight rate does not appear in the selling price to the ultimate consumer, there have usually been several profit additions based upon it, and to that extent the freight rate originally paid has been magnified in the final price."²

Moreover, it is generally accepted that a vital factor in setting railway rates is charging what the traffic will bear. Here again Professor Jackman's words admirably express the underlying theory of this rate-making principle:

"If the cost of service were the most prominent element in the determination of rates many of the most important articles or commodities would not be able to move more than a few miles from the places of production . . . It costs as much to transport a ton of textiles (cottons, woollens, or silks) as a ton of stone or cement; but if the latter had to pay according to the cost of service they would not move very far from the quarry or the manufacturing plant, while if the former were charged upon that basis the cost of movement would be an almost imperceptible addition to the price of the product. Instead of making rates on this basis, which would hinder the movement of commodities, rates have been made according to what the traffic can bear and the commodities of high value in proportion to bulk or weight will be charged a rate which is much higher, but which they can stand because of their greater value . . . The railway company establishes a rate which will move the traffic; the higher-class traffic will pay the more because it can bear the heavier charge, and the lower-class traffic because of its lower value will have the burden adjusted accordingly. It would be impossible for a railway to carry on its service on the basis of rates made in response to the necessities of the lower-grade commodities; for if all traffic paid merely the out-of-pocket expense entailed in connection with its movements, and a small amount to go towards the payment of the constant operating expenses and the fixed charges, there would not be enough revenue to meet all its requirements . . . In this way, to the extent to which the low-grade commodities fall short of paying their full proportion of the cost the high-grade commodities will make it up."³

British Columbia's shipments to Eastern Canada are of the type that require relatively low-freight rates to move them.⁴ On the other hand, British Columbia's imports are of a type that can and do bear a relatively high-freight charge. Therefore, consumers in other parts of Canada pay the relatively low-freight charges on shipments from British Columbia, but British Columbia consumers must pay the relatively high-freight charges on imports from Eastern Canada.

It was found practicable to study only the railway rates between Vancouver and Toronto. Both of these cities are railway distributing centres, and both enjoy the lowest transcontinental rates. It was held that any rate condition established for Vancouver might be assumed to be British Columbia's most favourable position, since all other points, whether more distant (Nanaimo, Powell River, etc.) or nearer (intermediate points such as Kamloops, Nelson, etc.) do not possess the same advantages.

(2) Jackman, W.T.: "Economics of Transportation," University of Toronto Press, Toronto, 1926, p. 599.

(3) *Ibid.*, pp. 116, 117.

(4) Professor Jackman states a similar viewpoint, "not less than 85 to 90 per cent. of the eastbound movement from British Columbia goes on commodity rates, including such articles as lumber, shingles, and other forest products; fish, canned, fresh, or pickled; canned fruits and vegetables; rice, sugar, etc. In consequence the class rates are of very little importance to and from the Coast . . ." (p. 582).

STATISTICAL ANALYSIS OF THE CANADIAN RAILWAY RATE STRUCTURE.

It was assumed that railway traffic going in either direction, eastwards or westwards, would tend to move by the cheapest channel, and an exhaustive study was accordingly made of "commodity" rates both carload and less-than-carload (L.C.L.). Using Canadian Freight Association tariffs I-G and 101-E, frequency distributions were prepared for:

- (a) Traffic moving on "Carload" rates from
Toronto to Vancouver Table 141
- (b) Traffic moving on "L.C.L." rates from Tor-
onto to Vancouver Table 142
- (c) Traffic moving on "Carload" rates from
Vancouver to Toronto Table 143
- (d) Traffic moving on "L.C.L." rates from Van-
couver to Toronto Table 144

In Table 141 it will be seen that there is a tendency for carload rates on traffic moving west from Toronto to Vancouver to concentrate between \$.85 and \$2.10 per hundred pounds, with an actual mode (point of greatest concentration) at \$1.475. The mid-point, or middle rate (the median) was, however, computed to be \$1.549 so that rates lying between \$1.45 and \$1.55 may be considered representative.⁵

TABLE 141.

DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" CARLOAD RATES ON TRAFFIC MOVING WEST FROM TORONTO TO VANCOUVER, AS GIVEN IN CANADIAN FREIGHT ASSOCIATION TARIFF No. 1-G.

(Last Supplement included, dated August 23rd, 1937.)

Rates (In Dollars per 100 lbs.).	MINIMUM CARLOADS (IN THOUSANDS OF POUNDS).																						
	10.	12.	14.	15.	16.	17.	18.	20.	22.	24.	26.	27.	30.	36.	40.	50.	54.	60.	70.	80.	100	Not Given	Total.
.10- .345	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1	---	1
.35- .595	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	18
.60- .845	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	2	1	9	3	3	---	---	18
.85-1.095	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	4	17	---	12	2	---	---	35
1.10-1.345	---	---	---	---	---	---	---	---	---	1	1	---	3	3	16	3	---	1	---	---	---	---	28
1.35-1.595	---	---	---	---	---	---	1	1	1	---	---	---	24	3	10	1	---	3	---	---	---	---	44
1.60-1.845	---	---	---	---	---	2	---	4	1	---	---	---	13	1	1	1	---	---	---	---	1	---	24
1.85-2.095	---	---	---	---	---	---	---	---	20	---	---	---	14	---	1	---	---	---	1	---	---	---	37
2.10-2.345	---	---	1	---	1	---	4	1	2	---	---	---	2	---	2	---	---	---	---	---	---	---	13
2.35-2.595	---	---	---	---	---	1	2	---	3	---	---	---	3	2	---	---	---	---	---	---	---	---	11
2.60-2.845	---	1	---	---	---	1	---	---	1	---	---	---	2	---	---	---	---	---	---	---	---	---	5
2.85-3.095	---	---	1	---	2	---	1	1	---	1	---	---	---	---	---	---	---	---	---	---	---	---	6
3.10-3.345	---	2	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	2
3.35-3.595	---	1	2	---	---	---	---	---	---	1	---	---	---	---	---	---	---	---	---	---	1	---	5
3.60-3.845	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
3.85-4.095	---	1	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1
4.10-4.345	---	1	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	1
4.35-4.595	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
4.60-4.845	1	2	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	3
Totals	1	8	3	1	2	1	3	11	2	34	2	---	61	9	34	24	1	25	6	3	1	2	234

(5) A list of the commodities moving between \$1.45 and \$1.55 will be found in Table 178. Table 185 shows the detailed calculations in arriving at the mode, median and arithmetic mean.

In Table 142 it will be seen that there is a tendency for L.C.L. rates on traffic moving west from Toronto to Vancouver to concentrate between \$2.88 and \$3.63 per hundred pounds, with a mode (point of greatest concentration) at \$3.545. The median (middle rate) was computed to be \$3.496, so that rates lying between \$3.496 and \$3.505 may be considered representative.⁶

TABLE 142.

DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" "L.C.L." RATES ON TRAFFIC MOVING WEST FROM TORONTO TO VANCOUVER, AS GIVEN IN CANADIAN FREIGHT ASSOCIATION TARIFF No. 1-G.

(Last Supplement dated August 23rd, 1937.)

Classification. (Rates in Dollars per 100 lbs.) Class Interval, 25c.	Number of Rates.	Classification. (Rates in Dollars per 100 lbs.) Class Interval, 25c.	Number of Rates.
2.38-2.629	7	6.63-6.879	-----
2.63-2.879	5	6.88-7.129	-----
2.88-3.129	35	7.13-7.379	-----
3.13-3.379	7	7.38-7.629	-----
3.38-3.629	41	7.63-7.879	-----
3.63-3.879	-----	7.88-8.129	1
3.88-4.129	11	8.13-8.379	1
4.13-4.379	-----	8.38-8.629	-----
4.38-4.629	12	8.63-8.879	-----
4.63-4.879	-----	8.88-9.129	-----
4.88-5.129	8	9.13-9.379	-----
5.13-5.379	-----	9.38-9.629	-----
5.38-5.629	7	9.63-9.879	-----
5.63-5.879	-----	9.88-10.129	-----
5.88-6.129	9	10.13-10.379	1
6.13-6.379	1		
6.38-6.629	-----	Total	146

In Table 143 it will be seen that there is a tendency for carload rates on traffic moving east from Vancouver to Toronto to concentrate between \$.60 and \$1.60 per hundred pounds, with a mode (point of greatest concentration) at \$.975. The median (middle rate) was computed to be \$1.188, so that rates lying between \$.97 and \$1.18 may be considered representative.⁷

Although very little traffic moves on L.C.L. rates from Vancouver to Toronto, a similar study was completed. Table 144 gives the distribution in three different class-intervals of 15 cents, 25 cents, and 50 cents respectively. Using the 25-cent class interval, a mode was found to exist at \$3.545 and a median at \$3.572, so that rates lying between \$3.545 and \$3.572 might be considered representative.⁸ It is to be noted that the small number of rates involved (11 only) arises from the fact that only in cases where the goods were listed in the Commodity Tariff was the L.C.L. rate included.

(6) A list of goods moving on L.C.L. rates between \$3.496 and \$3.505 will be found in Table 179. The detailed calculations in arriving at the mode, median and arithmetic mean are included in Table 186.

(7) A list of goods moving on carload rates between \$.975 and \$1.188 may be found in Table 181. Table 187 shows the detailed calculations in arriving at the mode, median, and arithmetic mean.

(8) A few of the goods moving on L.C.L. rates between \$3.54 and \$3.57 will be found in Table 182. Table 188 shows the detailed calculations in arriving at the mode, median, and arithmetic mean.

A comparison of the carload rates on west-going and east-going traffic definitely reveals that west-moving traffic tends to have higher carload rates than east-moving. This situation is graphically shown in Chart IX. The actual difference would, of course, be merely a guide, being in this case the

TABLE 143.

DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" CARLOAD RATES ON TRAFFIC MOVING EAST FROM VANCOUVER TO TORONTO, AS GIVEN IN CANADIAN FREIGHT ASSOCIATION TARIFF No. 101-E.

(Last Supplement included, dated August 10th, 1937.)

Rates (in Dollars per 100 lbs.).	MINIMUM CARLOADS (IN THOUSANDS OF POUNDS).														Total.
	15.	17.	20.	22.	24.	25.	26.	30.	36.	40.	50.	60.	70.	80.	
.35-.599	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
.60-.849	---	---	---	---	---	---	---	---	---	5	2	2	1	3	13
.85-1.099	---	---	---	---	---	---	---	---	1	6	2	6	1	---	16
1.10-1.349	---	---	---	---	---	---	---	---	1	3	2	4	---	---	10
1.35-1.599	---	---	---	1	1	---	---	2	---	5	2	---	---	---	11
1.60-1.849	---	---	---	---	1	---	2	1	---	---	---	---	---	---	4
1.85-2.099	---	---	2	---	---	1	---	1	---	1	---	---	---	---	5
2.10-2.349	---	1	---	---	---	---	---	2	---	---	---	---	---	---	3
2.35-2.599	1	---	---	---	---	---	---	1	---	---	---	---	---	---	2
2.60-2.849	---	---	---	---	1	---	---	---	---	---	---	---	---	---	1
Totals	1	1	2	1	3	1	2	7	2	20	8	12	2	3	65

N.B.—Rates to Toronto for Lead and Zinc are from Trail (not Vancouver) : i.e., copper is 68¾c. per 100 lbs. with a minimum weight of 40,000; lead is 68¾c. per 100 lbs. with a minimum weight of 40,000.

TABLE 144.

DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" "L.C.L." RATES ON TRAFFIC MOVING EAST FROM VANCOUVER TO TORONTO, AS GIVEN IN CANADIAN FREIGHT ASSOCIATION TARIFF No. 101-E.

(Last Supplement included, dated August 10th, 1937.)

CLASS INTERVAL, 15 CENTS.		CLASS INTERVAL, 25 CENTS.		CLASS INTERVAL, 50 CENTS.		
Classification (Rates in Dollars per 100 lbs.).	No. of Rates.	Classification (Rates in Dollars per 100 lbs.).	No. of Rates.	Classification (Rates in Dollars per 100 lbs.).	No. of Rates.	
2.87-3.019	1	2.92-3.169	1	2.80-3.299	2	
3.02-3.169	---	3.17-3.419	1	3.30-3.799	6	
3.17-3.319	1	3.42-3.669	6	3.80-4.299	2	
3.32-3.469	---	3.67-3.919	1	4.30-4.799	1	
3.47-3.619	6	3.92-4.169	---	Total	11	
3.62-3.769	---	4.17-4.419	2			
3.77-3.919	1	Total	11			
3.92-4.079	---					
4.07-4.219	1					
4.22-4.269	---					
4.37-4.52	1					
Total	11					

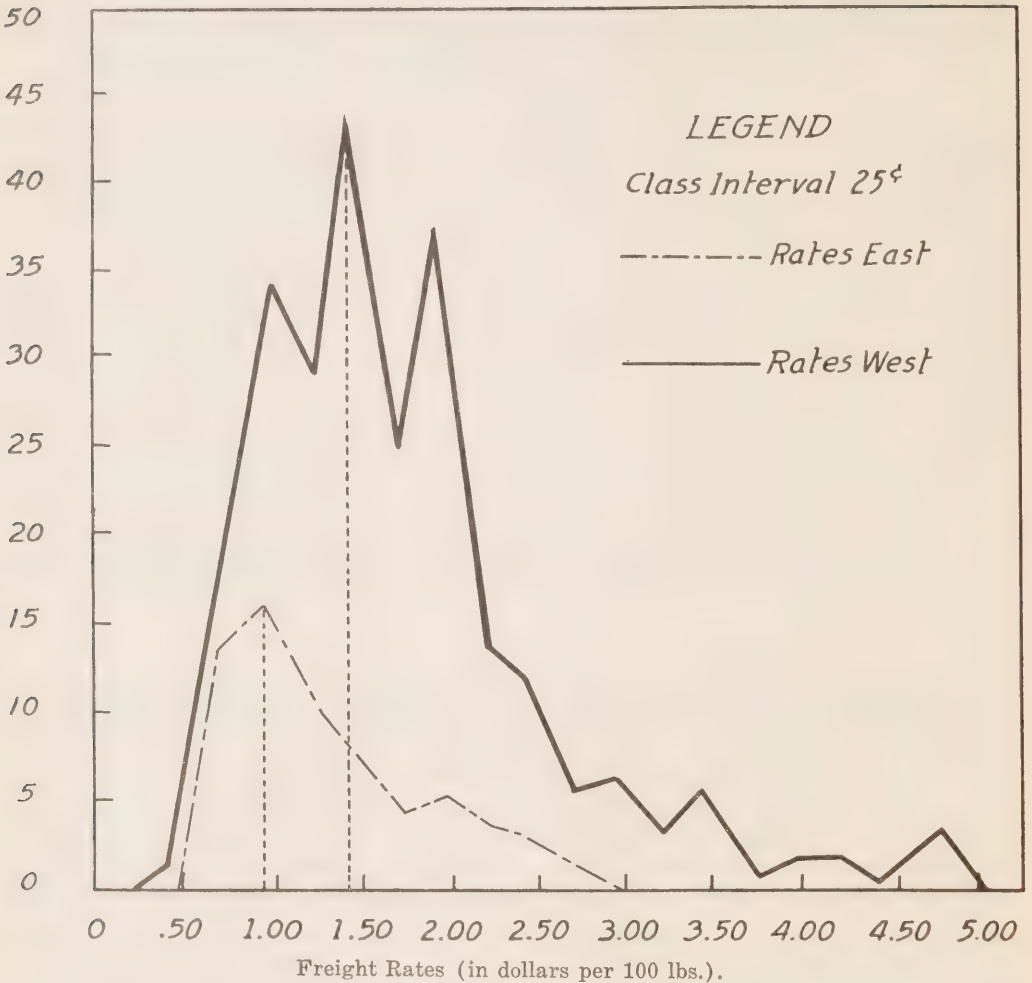
difference between the two modes \$.975 and \$1.475, or \$.50 per hundred pounds, which is equal to \$10.00 a ton. Any satisfactory measure of the difference must of necessity be connected with the volume and nature of the traffic

CHART VIII.

A COMPARISON OF "COMMODITY" CARLOAD FREIGHT RATES ON EASTBOUND AND WESTBOUND TRAFFIC BETWEEN BRITISH COLUMBIA AND EASTERN CANADA.

No. of Rates per
Class Interval.

(Vancouver and Toronto.)



moving, and in that sense a difference of \$10 or \$11 a ton based on a study of the rate structure only is inadequate. Nevertheless, the fact remains that there is a discernible tendency to have higher commodity rates on the west-going traffic than on the east-going traffic.

Because of the relative unimportance of L.C.L. rates in east-going traffic, a comparison of L.C.L. rates is somewhat inconclusive. There appears to be little difference in the actual rate structure; in the case of the west-going traffic the mode was found to be \$3.505, and in the case of the east-going traffic the mode was \$3.545. In both cases the L.C.L. rates are considerably higher than the carload rates.

VOLUME AND CHARACTERISTICS OF THE TRANSCONTINENTAL RAILWAY STRUCTURE.

To supplement this analysis of freight rates a further study has been made of the volume and nature of railway revenue freight moving between British Columbia and Eastern Canada. The absence of direct inter-provincial statistics made it necessary to analyse the Dominion Bureau of Statistics' compilation of revenue freight carried by the Canadian Railways.⁹ The method employed in making this analysis is indicated in Table 183.

British Columbia's probable net imports of revenue freight from Eastern Canada over the period 1928 to 1936 are shown in Table 145. Because of the limited form of the available information¹⁰ these figures are essentially conservative, based as they are upon the excess of imports over exports. It is conceivable that imports were greater in volume, but it is not likely that the actual imports were less than those stated in the table. From the data it is not possible to find directly the absolute volume of revenue freight imports into British Columbia, the data merely give the amount of freight unloaded and the amount loaded in British Columbia. By subtracting the "loaded" from the "unloaded" figures it can be seen at once whether there was a net import or a net export. Under these conditions it is possible to eliminate local traffic, since the amounts would appear in both the "loaded" and "unloaded"

TABLE 145.

ESTIMATED NET IMPORTS OF REVENUE FREIGHT FROM EASTERN CANADA
INTO BRITISH COLUMBIA ON TRANSCONTINENTAL RAILWAYS, 1928-36.

(In tons.)

Year.	COMMODITIES.							
	Iron and Steel, Bar, Sheet, Structural, Pipe.	Castings, Machinery and Boilers.	Agricultural Implements and Vehicles (not Automobiles). (2)	Automobiles, Auto-trucks and Auto-parts.	Furniture.	Other Miscellaneous Manufactures.	Merchandise, all L.C.L.	Total. (3)
1928.....	11,725	14,494	2,352	16,459	4,956	30,852	45,556	126,394
1929.....	10,431	14,836	2,235	19,968	4,926	28,323	45,493	126,212
1930.....	17,993	9,854	735	12,176	4,335	27,442	29,691	102,226
1931.....	13,422	8,182	795	7,684	3,020	34,532	12,091	79,726
1932.....	5,348	2,615	(1) 91	4,188	1,907	11,861	10,592	36,420
1933.....	6,004	957	105	5,164	734	14,575	23,518	51,057
1934.....	14,474	2,122	796	9,363	1,137	4,903	12,878	45,673
1935.....	17,320	2,583	1,083	13,643	1,181	9,307	19,968	65,085
1936.....	22,785	3,155	2,372	14,192	1,324	24,298	15,982	84,108
9-year Average	13,278 16.7%	6,533 8.2%	1,154 1.4%	11,426 14.3%	2,613 3.3%	20,677 26.0%	23,974 30.1%	79,655 100.0%

(1) Apparent net export.

(2) A considerable movement of agricultural implements enters British Columbia from Prairie points (Alberta), but for the purposes of this study this movement is considered to be distributive in nature; the implements were made in Eastern Canada and must be conveyed to British Columbia.

(3) In addition since 1932 there has been an annual net import of cheese, apparently from Eastern Canada, of approximately 1,200 tons.

SOURCE: Canada, Dominion Bureau of Statistics, "Summary of Monthly Railway Traffic Reports," 1928-1936.

(9) Canada, Dominion Bureau of Statistics, "Summary of Monthly Railway Traffic Reports," 1930-1936.

(10) *Ibid.*

columns and therefore cancel out. Were it not for the fact that British Columbia's exports have their own characteristics (lumber, apples, etc.) as distinguished from imports (automobiles, iron and steel, etc.) these net import or net export figures would probably give a poor indication of the absolute volume of traffic. However, it is a comparatively straightforward matter to segregate the export commodities from the imports, and because of that fact these net import figures must correspond very closely to the actual imports.

The Table reveals certain characteristics of British Columbia's imports from Eastern Canada. Using the nine-year averages as a basis, it will be seen that approximately 31 per cent. of the imports move on less-than-carload (L.C.L.) rates. Considering this situation in conjunction with the observations noticed in the study of rates, it becomes possible to compute a hypothetical freight charge on a composite hundred pounds of freight imported from Eastern Canada. Of this hundred pounds, 31 pounds would probably move at the L.C.L. rate of \$3.545 per hundred pounds, or at a cost of \$1.09. The remaining 69 pounds might move at the carload rate of \$1.545 or at a cost of \$1.06. Therefore, a composite hundred pounds of freight would tend to cost, if imported by British Columbia from Eastern Canada, approximately \$2.15.

This hypothetical freight cost based as it is primarily upon the rate structure, is somewhat abstract. A more concrete conception of the cost was found by relating the actual traffic statistics to the most generally appropriate rates. The method employed is indicated in Table 146. By this more realistic method it will be seen that a composite hundred pounds of freight would tend to cost, if imported by British Columbia from Eastern Canada, approximately \$2.65.

It is to be noted that throughout this discussion, unless otherwise stated, the rates between Vancouver and Toronto only are considered. These rates are influenced by water competition, so that when it is assumed in Table 146 that all imports from Eastern Canada move to Vancouver the results must naturally be conservative and represent a fair minimum. In other words, by introducing the question of intermediate points (Kamloops, Nelson, etc.) or of points more distant from Toronto (Powell River, Nanaimo), the net effect would probably be to revise the estimate of \$2.65 per hundred pounds upwards.

British Columbia's probable net export of revenue freight to Eastern Canada⁽¹¹⁾ over the period 1928-1936, is stated in Table 147, showing a nine year average of 260,180 tons. These figures are net, being based upon the excess of exports over imports. It is possible that exports were greater in volume but it is likely that the actual exports were not less than those stated in the table.

The nature of British Columbia's exports to Eastern Canada definitely excludes any considerable volume of L.C.L. traffic. The bulk of British Columbia's rail exports to Eastern Canada move on carload rates. It was shown earlier from a consideration of the rate structure only that rates between \$.95 and \$1.10 might be considered representative. A hypothetical freight charge on a composite hundred pounds might therefore be placed at \$.96 (the point of greatest concentration). This hypothetical freight charge is also open to the criticism of being abstract and, as in the case of imports from Eastern Canada, a further attempt was made to relate actual traffic statistics with

(11) A similar estimate was prepared for net exports to the Prairies (*see* Table 184).

TABLE 146.

ESTIMATED YEARLY FREIGHT CHARGES ON BRITISH COLUMBIA'S
IMPORTS FROM EASTERN CANADA.

(Based on Average Imports over the Nine Years, 1928-1936.)

Commodity.	Imports, 9-year Average.	Representative Rate per 100 lbs.	Estimated Freight Cost.
	Tons.	Dollars.	Dollars.
Merchandise, all L.C.L.	23,974	(1) 3.505	1,680,577.40
Other miscellaneous manufactures	20,677	(2) 1.475	609,971.40
Iron and steel, bar, structural	13,300	(3) 1.50	390,600.00
Automobiles, trucks, parts	11,426	(4) 4.80	1,096,896.00
Castings, machinery, boilers	6,533	(5) 2.06	269,159.60
Furniture	2,613	(6) 2.28	119,152.80
Agricultural implements	1,154	(7) 1.94	44,775.20
Cheese (8)	-----	-----	-----
Totals	79,677	-----	4,219,532.40

$$\text{Average rate on a composite hundred pounds} = \frac{\$4,219,532}{79,677} = \$2.65 \text{ per 100 lbs.}$$

(1) See remarks concerning Table 142 and Table 186.

(2) See remarks concerning Table 141 and Table 185.

(3) Item 1010, C.F.A. Tariff No. 1-G, dated July 16, 1936.

(4) Item 90, C.F.A. Tariff No. 1-G, dated July 16, 1936.

(5) Item 1880, Tariff No. 1-G, dated August 16, 1937.

(6) Item 775, Tariff No. 1-G, dated June 8, 1937.

(7) Item 10, Tariff No. 1-G, dated July 16, 1936.

(8) Since 1932 there has been an annual net import of cheese, apparently from Eastern Canada, of approximately 1,200 tons.

appropriate rates. Table 148 indicates the method followed: it will be seen that a composite hundred pounds of freight would tend to cost, if imported by Eastern Canada from British Columbia, approximately \$1.01.

If the statistics of rail movements over the period 1928-1936 are in any sense representative, then the evidence indicates that the railway rate structure tends to impose, and the actual traffic moving does impose, a much heavier burden upon British Columbia consumers as a whole than upon Eastern Canada consumers as a whole. Hence, over the same distance, in the one case British Columbia consumers of Eastern Canadian goods pay a freight charge of \$2.65 per hundred pounds, and in the other case Eastern Canada consumers of British Columbia goods pay a freight charge of \$1.01 per hundred pounds.

SUMMARY AND CONCLUSION.

The evidence thus far considered has largely confirmed the contention outlined in the opening paragraphs of this study. Consumers in Eastern Canada pay relatively lower freight charges on shipments from British Columbia, and British Columbia consumers must pay the relatively higher freight charges on imports from Eastern Canada. This situation, it has been shown, is a necessary consequence of the rate-making principle of charging what the traffic will bear.

On the surface this situation is apparently inequitable, since for almost similar services performed very dissimilar freight tolls are exacted. The principle of charging what the traffic will bear has an inherent spirit of discrimination, at least when applied to whole areas. Primary producing regions selling a comparatively low value product are compelled to pay the relatively

TABLE 147.

ESTIMATED NET EXPORTS FROM BRITISH COLUMBIA TO EASTERN CANADA—RAILWAY REVENUE FREIGHT (1928-1936).

Commodity.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.	1936.	Total 1928-1936.	9-year Average.
Apples, fresh	31,996	27,324	42,987	19,071	35,310	42,209	43,742	34,673	37,882	315,194	35,021
Bituminous coal .....	.....	.....	107	72	.....	409	1,333	14,274	(2)	16,195	2,024(3)
Base bullion, matte, pig, and ingot (non-ferrous)	12,832	854	16	193	18,124	17,323	22,379	26,820	29,024	127,555	14,174
Other mine products	52,348	37,618	75,946	.....	.....	13,205	16,151	.....	.....	195,268	21,696
Logs, poles, posts, cordwood	5,445	38,391	16,277	4,145	10,370	11,727	23,284	33,131	39,883	182,653	20,294
Lumber, timber, staves, etc.	101,232	190,602	226,630	220,822	83,732	97,042	107,463	149,549	200,611	1,377,683	153,076
Other forest products	2,644	4,014	21,226	6,629	3,175	2,949	131	203	1,183	42,154	4,683
Fertilizers, all kinds .....	.....	.....	.....	1,771	4,157	512	1,550	1,427	1,902	11,319	1,257
Fish (fresh, frozen, etc.)	6,878	11,373	9,538	9,476	6,131	6,277	6,995	6,559	8,364	71,591	7,955
Canned goods (1) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Totals	213,375	310,176	392,727	262,179	160,999	191,653	223,028	266,636	318,849	2,339,622	260,180

(1) It was not possible to segregate the export of canned goods between Eastern Canada and the Prairies; the main export apparently moves to the Prairies (see Table 184).

(2) Figures not available here at time of preparation; notice in case of bituminous coal the actual total export figures are used, not the net railway export.

(3) Eight-year average only (see foot-note 2).

SOURCE: Canada, Dominion Bureau of Statistics, "Summary of Monthly Railway Traffic Reports," 1928-1934.

TABLE 148.

ESTIMATED YEARLY FREIGHT CHARGES ON BRITISH COLUMBIA'S
EXPORTS TO EASTERN CANADA.

(Based on Average Exports over the Nine Years, 1928-1936.)

Commodity.	Exports, 9-year Average.	Representative Rate per 100 lbs.	Estimated Freight Cost.
	Tons.	Dollars.	Dollars.
Lumber, timber, staves, etc.	153,076	(1) .97½	2,984,982.00
Apples, fresh	35,021	(2) 1.50	1,050,630.00
Other mine products	21,696	(3) .68¾	298,320.00
Logs, posts, poles	20,294	(4) .88½	359,203.80
Base bullion, matte, pig, and ingot	14,174	(5) .68¾	194,892.50
Fish (fresh, frozen, cured, etc.)	7,955	(6) 1.54	245,014.00
Other forest products	4,683	(7) .88½	82,889.10
Fertilizers, all kinds	1,287	(8) .55	14,157.00
Bituminous coal	2,024	(9) 1.21½	49,183.20
Totals	260,180	-----	5,279,271.60

5,279,271
Average rate on a composite hundred pounds = $\frac{5,279,271}{260,180}$ = \$1.01 per 100 lbs.
260,180

- (1) Item 580, B, C.F.A. Tariff No. 101-E, November 29, 1935.
- (2) Rate, Okanagan points to Toronto, 35,000 minimum, furnished by C.N. Railways, Victoria Office.
- (3) Arbitrarily using same rate as in foot-note 5.
- (4) Rate, Vancouver to Toronto, furnished by C.N. Railways.
- (5) Rate, Tadanac to Toronto, 40,000 lbs. minimum, furnished by C.P. Railways, Victoria Office.
- (6) Item 210, group 3, C.F.A. Tariff No. 101-E, May 15, 1934.
- (7) Arbitrarily using same rate as in foot-note 4.
- (8) Rate, Warfield to Toronto, 80,000 lbs. minimum, furnished by C.P. Railways.
- (9) Rate, Fernie to Toronto, 40,000 lbs. minimum, class rate furnished by C.P. Railways.

high freight tolls; while on the other hand, secondary producing areas receiving revenue from their comparatively high value products pay the relatively low freight tolls.

Yet the circumstances might be justified in part in certain instances.¹² If, for example, it could be shown that the cost of hauling west-going traffic from Eastern Canada to British Columbia was materially greater than the cost of hauling traffic in the opposite direction, then British Columbia consumers might be expected to pay higher freight charges than Eastern Canada consumers. But, railway rates are not established directly according to that principle,¹³ and if the cost of hauling was a measurable factor it is likely that the bulky British Columbia products would not move by rail, although they might very well move by water.

Since British Columbia products do move on specially established commodity rates, and since British Columbia consumers might indirectly gain from the prosperity consequent upon sales in Eastern Canada, it may be reasonable for the population of British Columbia to recompense the railroads for their relatively low rates on British Columbia shipments eastward by paying the

(12) A circumstance not mentioned but worthy of notice is that in certain instances high freight rates may act as a protection for secondary industries in British Columbia. It is difficult to appraise the significance and extent of such protection, but it is conceivable that there would be opposition to a lowering of railway rates at some point.

(13) "To say how much it costs to carry each shipment in such a heterogeneous trainload is an utter impossibility. It is a case of joint cost and no means has been found of separating this cost and allocating to each shipment in the trainload its appropriate share." Jackman, W. T., p. 100.

higher rates on imports from Eastern Canada, that is, if it could be established that an actual loss was incurred as a consequence of these commodity rates. The validity of this consideration is, however, open to serious doubt. In offering lower commodity rates to British Columbia exporters the railways are seeking to eliminate a potential backhaul of empty cars. British Columbia exporters before 1885 had, and still possess, a water route to Eastern Canada, although at the present time it involves a six weeks' delivery period. The transcontinental railways provide a second and faster route to Eastern Canada, but not the only route. If the railways provided the only route to Eastern Canada, there might be more justification for expecting British Columbia consumers to assist British Columbia exporters in this way.

There is, moreover, no mechanism by which these two independent movements may be brought into a balanced equation. British Columbia exporters and importers transact their trade with Eastern Canada without reference one to the other. Irrespective of the volume of traffic moving east on commodity rates, the higher-valued products from Eastern Canada automatically carry the relatively higher freight rates. There is, therefore, no assurance that revenue received on west-moving freight would be applied only to make up an assumed potential loss on east-moving freight. The transcontinental railways have numerous other incentives to secure revenue. Rail and water competition throughout the Eastern Provinces, automotive competition, and other factors exert a depressing effect on railway revenues; there is, therefore, every need to maintain or raise freight rates wherever the traffic can bear the charge. In the interest of practical railroad operation it may not be desirable to modify the practice of setting rates according to what the traffic will bear, but it is to be realized that the principle contains within itself a latent power of discrimination. The discrimination arises as a natural consequence of the railway's action in endeavouring to stimulate traffic from both ends.

From the British Columbia viewpoint the railway rate situation cannot be logically considered apart from the problems arising from the national trade and tariff policy. The inter-relationship of these two problems may be described by an extreme illustration: If no revenue traffic moved eastward at all, the Canadian railways faced with west-moving revenue traffic and east-moving empty cars, would seek to impose revenue-producing rates on the west-moving traffic. Western interests would then bear the major burden of providing transcontinental rail service. The burden on Western interests would likely be lessened to some extent as east-moving revenue traffic developed but, as this study has shown, under the principle of charging what the traffic will bear, it is unlikely that the burden would become evenly distributed. This situation might be reasonable if the Western interests were free to purchase their requirements in the cheapest market, but under the present tariff policy the nearest accessible source of supply becomes Eastern Canada. In practice, then, British Columbia as a whole is expected indirectly to subsidize exports to Eastern Canada, purchase a large portion of its manufactured requirements from Eastern Canada, and actually finds it necessary to sell the major portion of its own produce on world markets.

VOLUME OF WATER-BORNE TRAFFIC.

As ocean transportation is available to British Columbia as well as rail transportation, it is necessary to analyse inter-coastal rates in order to complete

the picture of British Columbia's transportation problem. The results so far obtained indicate that those commodities normally imported from Eastern Canada which can least bear the higher west-moving railway freight rates would have a definite incentive to travel by cheaper routes, if such were available. Accordingly, consideration was given to the water-borne traffic between Vancouver and New Westminster and St. Lawrence points.

It will be seen from Tables 149 and 150 that water-borne imports and exports from Eastern Canada to the Ports of Vancouver and New Westminster averaged over the eight years 1928-1935 38,332 tons and 48,253 tons, respectively. Since most if not all of the inter-coastal traffic is handled from these two British Columbia ports, the statistics of water traffic from and to these ports are assumed to be indicative of British Columbia's water-borne trade.

TABLE 149.

WATER-BORNE IMPORTS FROM EASTERN CANADA AT THE PORTS OF
VANCOUVER AND NEW WESTMINSTER, 1928-1936.
(In tons.)

Year.	Port of Vancouver.	Port of New Westminster.	Total.
1928	30,545	60	30,615
1929	53,729	671	54,400
1930	30,069	3,703	33,772
1931	27,681	673	28,354
1932	18,683	1,153	19,836
1933	24,780	2,667	27,447
1934	55,484	5,908	61,392
1935	45,271	5,581	50,852
1936	(1)	2,947	-----
8-year Average	35,780	2,552	38,332

(1) Due to change in Harbour Administration, 1936 figures not published.

SOURCE: Harbour Commissioners of New Westminster and Vancouver.

TABLE 150.

WATER-BORNE EXPORTS TO EASTERN CANADA FROM THE PORTS OF VAN-
COUVER AND NEW WESTMINSTER, 1928-1936.
(In tons.)

Year.	Port of Vancouver.	Port of New Westminster.	Total.
1928	47,085	24,981	72,066
1929	58,417	13,661	72,078
1930	48,438	21,902	70,340
1931	31,744	13,194	44,938
1932	19,521	14,470	33,991
1933	20,508	8,306	28,814
1934	23,213	9,550	32,763
1935	23,425	7,604	31,029
1936	(1)	6,619	-----
8-year Average	34,044	14,209	48,253

(1) Not available at time of writing.

SOURCE: Harbour Commissioners of New Westminster and Vancouver.

More specific characteristics of the water-borne traffic are revealed in Tables 151 and 152. The construction of the tables permits an immediate and

straightforward analysis. Those commodities of a relatively low unit value are naturally sensitive to low transportation charges, hence the water import movement of salt, creosote oil, wire rods, canned goods, wire, and hardware, in some volume indicates that they are not willing to bear the prevailing rail

TABLE 151.

WATER-BORNE IMPORTS RECEIVED FROM EASTERN CANADA AT THE
PORTS OF VANCOUVER AND NEW WESTMINSTER, 1928-1935.

(In tons.)

Commodity.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
Iron rails	69.25	-----	-----	-----	-----	-----	4,353.00	7,654.00
Oil, creosote	-----	-----	5,307.75	-----	-----	-----	6,582.00	7,427.50
Hardware	5.75	6.75	5.50	-----	-----	-----	1,581.50	7,095.00
Canned goods	1,954.00	2,584.50	840.00	1,616.50	3,893.50	3,841.00	4,408.50	4,691.50
Wire rods	118.00	-----	279.00	-----	1,858.00	1,899.00	5,309.00	4,322.00
Iron and steel	2,394.50	23,366.25	4,206.00	4,934.75	1,356.00	2,522.50	4,785.50	3,023.50
Salt	645.50	48.75	-----	-----	54.50	1,278.50	6,997.50	1,816.50
Chemicals and acids	797.00	185.75	165.00	-----	-----	-----	698.50	1,120.00
Wire	298.50	537.75	275.25	734.25	257.50	500.00	1,814.00	1,028.00
Bottles	488.00	477.25	131.50	161.50	229.50	636.50	1,235.50	780.50
Iron pipe	3,176.75	2,608.75	395.50	2,363.50	70.00	638.50	1,043.00	780.50
Paper manufactures	2,021.50	1,807.75	840.50	1,676.00	635.00	533.50	1,114.00	778.00
Iron, pig	-----	-----	-----	-----	-----	-----	1,086.00	618.00
Paints and supplies	1,151.50	1,398.75	413.00	794.00	472.50	473.00	990.00	606.50
Nails and staples	2,554.75	3,817.00	38.50	1,515.50	1,349.50	1,020.50	1,349.50	499.50
Dry-goods	442.25	568.75	243.25	-----	199.00	473.50	628.50	452.50
Furniture	494.25	596.25	212.25	-----	-----	333.00	506.00	408.50
Machinery	165.00	342.75	132.75	132.50	87.00	225.50	268.00	408.00
Soaps and cleansers	786.75	506.25	596.25	643.50	634.50	663.50	1,034.00	399.50
Groceries	401.00	105.00	194.50	439.00	462.50	199.50	412.00	384.50
Starch and glucose	873.75	1,131.25	701.25	1,363.00	1,163.00	606.00	1,003.00	361.50
Drugs and sundries	615.00	389.75	297.50	-----	.50	.50	293.00	323.00
Vinegar	77.75	101.75	178.00	-----	-----	-----	316.00	265.50
Honey	252.25	176.25	124.00	167.50	71.50	307.00	193.50	236.00
Oil, lubricating	213.75	244.50	41.00	213.25	161.00	208.00	96.00	230.50
Fish, canned	289.00	126.25	233.25	207.00	168.50	211.50	269.00	206.50
Milk, powdered	-----	-----	-----	-----	-----	-----	-----	208.45
Carbide	84.75	740.75	609.25	595.50	444.50	713.50	1,135.00	195.50
Liquors	74.50	87.75	-----	1.00	178.00	46.00	143.50	137.00
Wax, paraffin	-----	-----	-----	-----	-----	32.50	51.00	133.00
Autos and parts	194.75	83.00	175.75	18.50	111.00	99.00	81.00	124.00
Lard and shortening	402.25	165.50	131.50	171.50	81.00	52.00	167.00	105.00
Wallboard	-----	139.00	105.25	72.50	-----	84.50	70.00	104.00
Asphalt products	119.00	225.50	255.00	10.50	10.50	542.00	125.00	97.50
Beans and peas	61.50	64.75	34.25	-----	359.00	185.00	317.00	97.00
Wire, barbed	-----	-----	-----	-----	-----	-----	632.50	95.00
Carpets and linoleum	-----	.50	1.00	2.00	3.50	110.00	156.00	78.50
Electrical goods	108.75	191.75	98.00	-----	-----	-----	83.00	78.50
Wire fencing	942.00	1,655.00	731.00	60.50	145.50	322.50	55.00	74.00
Glue	43.00	44.75	13.25	-----	-----	274.00	78.00	68.50
Petroleum wax	-----	-----	-----	-----	-----	-----	-----	48.00
Asbestos and products	165.25	248.00	665.50	511.50	3.00	95.50	231.50	43.00
Fruit, dried	77.75	70.00	18.25	8.50	-----	-----	16.00	42.50
Rope and twine	62.00	43.75	37.00	68.50	77.00	21.50	79.50	36.00
Oil, vegetable	-----	5.00	-----	-----	-----	-----	6.00	32.00
Earthenware	6.75	-----	-----	-----	295.00	92.50	172.00	27.50
Fireclay	-----	1.50	-----	6.00	23.50	10.00	61.00	23.50
Coffee	-----	139.75	-----	-----	12.00	46.00	77.50	23.00
Leather and manufactur- ings	218.50	49.25	26.50	53.50	51.00	96.50	22.00	20.00
Paper, printing	36.25	-----	-----	-----	-----	39.00	48.50	20.00
Twine, binder	-----	-----	-----	-----	-----	-----	-----	20.00
Sewing-machines	125.00	85.00	22.25	-----	-----	22.00	47.50	19.50
Toys	11.00	18.00	4.00	-----	39.50	34.00	33.50	18.50
Gunnies	-----	-----	-----	20.00	-----	71.00	30.00	14.00
Ales and beers	-----	-----	-----	-----	-----	-----	-----	13.00
Gelatine	-----	-----	-----	-----	-----	-----	-----	11.50

TABLE 151—Continued.

WATER-BORNE IMPORTS RECEIVED FROM EASTERN CANADA AT THE
PORTS OF VANCOUVER AND NEW WESTMINSTER, 1928-1935—Continued.

(In tons.)

Commodity.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
Confectionery .....	.....	31.50	7.25	81.00	3.50	18.50	31.50	11.00
Glassware and china	60.75	78.50	41.50	126.00	244.00	212.50	31.50	10.50
Musical instruments	205.00	81.00	26.00	.....	.....	2.00	12.50	8.00
Cigarettes and tobaccos ..	1.50	58.25	201.00	846.50	13.50	7.00	18.00	7.50
Bicycles and parts	7.00	7.00	3.25	3.00	1.50	4.00	14.00	5.00
Cement	23.50	39.25	4.00	3.50	.....	71.00	30.00	5.00
Cocoa	103.50	81.00	18.00	69.00	132.00	146.00	46.50	4.50
Hops	23.50	26.50	7.50	10.00	18.50	15.00	7.50	3.00
Paper, wrapping	215.25	136.50	119.50	11.50	9.50	97.50	67.50	2.50
Fish, cured .....	.....	.....	.....	.....	.....	.....	.....	2.00
Glass, window plate .....	.....	.....	.....	.....	.....	.....	.....	1.50
Footwear	15.00	14.00	26.00	53.50	51.00	96.50	22.00	1.00
Lead pipes .....	.....	.....	.....	.....	.....	.....	.....	1.50
Auto tires and casings .....	.....	.....	.....	.....	.....	.....	12.50	.50
Wool .....	.....	.....	.....	.....	.....	.....	.....	.50
Not classified	6,121.50	7,272.25	13,163.00	8,058.25	3,938.00	6,051.50	8,179.00	3,340.00
Totals	29,795.25	53,012.25	32,396.25	27,824.00	19,369.00	26,281.50	60,758.00	51,334.95

SOURCE: Harbour Commissioners of Vancouver and New Westminster.

TABLE 152.

WATER-BORNE EXPORTS TO EASTERN CANADA FROM THE PORTS OF
VANCOUVER AND NEW WESTMINSTER, 1928-1935, INCLUSIVE.

(In tons.)

Commodity.	1928.	1929.	1930.	1931.	1932.	1933.	1934.	1935.
Lumber	63,722.00	64,583.50	55,601.25	40,448.25	22,989.50	14,335.50	22,534.50	12,079.00
Salmon, canned	4,164.00	4,539.00	3,907.25	1,953.50	7,164.50	8,868.00	6,005.50	4,231.00
Rice	1,346.50	899.50	691.25	450.75	606.50	660.00	1,732.00	1,238.00
Lumber, shingles	401.00	360.25	251.00	74.00	624.00	706.00	468.00	1,171.50
Canned goods, N.O.C.	663.25	164.00	293.50	376.00	433.00	468.50	608.50	679.00
Glassware	21.75	.....	15.25	2.00	54.50	14.00	20.50	270.00
Paper manufactures	233.50	132.00	123.75	81.00	13.50	72.00	134.50	215.00
Fruits, dried .....	.....	1.00	3.25	.....	45.00	130.00	71.00	126.00
Hardware	6.75	10.50	9.25	25.00	30.50	97.50	34.00	96.00
Earthenware .....	.....	.....	.....	.....	.....	.....	22.50	80.00
Lumber box-shooks .....	.....	.....	.....	.....	.....	.....	.....	58.50
Beans and peas	125.00	75.00	.....	15.00	173.00	201.50	154.50	55.00
Canned fish, N.O.C.	13.75	.25	4.50	.50	.....	.....	1.00	38.50
Metal scrap .....	.....	.....	.....	.....	.....	.....	.....	31.00
Oil, vegetable .....	.....	.....	.....	.....	.....	.....	.....	26.50
Cans, empty .....	.....	.....	.....	.....	.....	.....	.....	18.00
Liquors .....	.....	749.75	1,324.50	.....	305.00	943.50	38.00	14.50
Hops	9.75	4.50	8.75	2.50	8.50	3.00	6.50	14.00
Machinery	20.75	16.75	30.50	2.50	73.50	66.00	29.00	13.00
Paper, Kraft .....	.....	.....	.....	.....	.....	.....	.....	11.00
Lumber, broom-handles .....	.....	.....	.....	.....	.....	.....	.....	10.00
Iron, pipe .....	.....	.....	.....	.....	.....	.....	.....	8.50
Seeds .....	.....	.....	.....	.....	.....	.....	.....	8.50
Groceries	111.25	7.75	.25	3.00	92.00	7.00	3.50	7.00
Drugs and sundries	1.25	14.50	3.50	.....	.....	.....	5.00	4.00
Paints and supplies .....	.75	7.00	176.00	3.00	8.50	9.50	15.00	4.00
Casings .....	.....	.....	.....	.....	1.50	.....	3.00	4.00
Fish-oil .....	.....	.....	.....	42.00	.....	2.00	243.50	3.00
Canned pilchards	30.00	20.50	52.00	1.50	48.50	4.00	41.50	3.00
Electrical goods	1.00	.25	1.25	.....	.....	.....	.50	.50
Not classified	153.50	146.75	7,773.25	1,414.25	1,204.00	385.00	228.50	409.00
Totals	71,025.75	71,723.75	70,275.25	44,894.75	33,875.50	26,973.00	32,400.50	20,927.00

SOURCE: Harbour Commissioners of Vancouver and New Westminster.

charges and that they are able to bear the six weeks' journey by water. A similar statement might be made of the water export movement of lumber, canned salmon, and rice. Those commodities of a relatively high unit value move in smaller volumes depending on their general capacity to bear the six weeks' period of delivery; this accounts for the very small movement of automobiles, musical instruments, chinaware, radios, etc. Other factors are the inability of importers to accept large shipments, the necessity of ordering commodities considerably in advance and assuming the responsibility for falling prices and delay in payment for goods. The importance of these characteristics of the water-borne traffic to the general study is obvious.

In order to provide a basis of comparison between the rail and water rate structure, an analysis of the current inter-coastal ocean freight commodity rates has been attempted. Using tariffs of the Vancouver-St. Lawrence Line, frequency distributions were prepared for:

- (a) Traffic moving on "Commodity" Carload Rates from Montreal to VancouverTable 153
- (b) Traffic moving on "Commodity" Carload Rates from Vancouver to MontrealTable 154
- (c) Traffic moving on "Commodity" L.C.L. rates from Montreal to VancouverTable 155
- (d) Traffic moving on "Commodity" L.C.L. rates from Vancouver to MontrealTable 156

In Table 153 it will be seen that there is a tendency for commodity carload rates on traffic moving west from Montreal to Vancouver to concentrate between \$.325 and \$1.075 per hundred pounds, with an actual mode of \$.55. The mid-point, or middle rate (the median) was computed to be \$.65, and the arithmetic mean was found to be \$.71.¹⁴ Rates lying between \$.55 and \$.65 may be considered representative.

TABLE 153.

DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" CARLOAD RATES ON TRAFFIC MOVING WEST FROM MONTREAL AND QUEBEC CITY TO VICTORIA AND VANCOUVER.

Rates (in Dollars per 100 lbs.).	MINIMUM CARLOADS (IN THOUSANDS OF POUNDS).										Total.
	10.	14.	20.	24.	26.	30.	36.	40.	50.	No Limit.	
.175-.3249 .....	...	...	...	...	...	...	1	...	...	...	1
.325-.4749 .....	...	...	...	3	...	6	9	3	1	...	22
.475-.6249 .....	...	...	...	7	...	14	3	1	...	...	25
.625-.7749 .....	...	...	...	9	...	3	1	1	...	...	14
.775-.9249	2	...	1	7	1	3	...	...	...	...	14
.925-1.0749 .....	...	1	3	11	...	3	...	...	...	...	18
1.075-1.2249	1	1	...	...	...	...	...	...	...	...	2
1.225-1.3749 .....	...	2	...	...	...	...	...	...	...	...	2
1.375-1.5249 .....	...	...	...	...	...	...	...	...	...	1	1
1.525-1.6749 .....	...	...	...	1	...	...	...	...	...	1	2
Totals	3	4	4	38	1	29	14	5	1	2	101

SOURCE: Inter-Coastal Tariff No. 11, Vancouver-St. Lawrence Line. (Not published.)

(14) Calculations used in deriving the arithmetic mean and the median are shown in Table 189.

Table 154 shows that there is a tendency for commodity carload rates on traffic moving east from Vancouver to Montreal to concentrate between \$.30 and \$1.10, with an actual mode (point of greatest concentration) at \$.60. The mid-point (median) was found to be \$.69, and the arithmetic mean to be \$.778.¹⁵ Rates lying between \$.60 and \$.778 may be considered representative.

Unlike the situation shown to exist in the railway rate structure, there is no marked difference in the central tendency of the east and westbound carload water rates. Table 155 permits a comparison of the rail and water rate structures on this point.

TABLE 154.
DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" CARLOAD RATES ON
TRAFFIC MOVING EAST FROM VANCOUVER TO MONTREAL.

Rates (in Dollars per 100 lbs.).	MINIMUM CARLOADS (IN THOUSANDS OF POUNDS).						Total.
	20.	24.	30.	36.	40.	No Limit.	
.30- .499	---	4	---	---	1	3	8
.50- .699	---	10	3	---	---	2	15
.70- .899	1	1	---	---	---	5	7
.90-1.099	1	---	---	---	---	7	8
1.10-1.299	---	1	1	---	---	2	4
1.30-1.499	---	1	1	---	---	---	2
1.50-1.699	---	---	---	---	---	1	1
1.70-1.899	---	---	---	---	---	---	---
Totals	2	17	5	---	1	20	45

SOURCE: Eastbound Tariff No. 2, Vancouver-St. Lawrence Line. (Not published.)

NOTE.—During open navigation these rates apply to the St. Lawrence River (including Quebec City); when river is closed these rates apply to St. Johns, New Brunswick, and Halifax, Nova Scotia.

TABLE 155.
(Cents per hundred pounds.)

	Carload Commodity Rates on Rail Traffic, Toronto to Vancouver.	Carload Commodity Rates on Rail Traffic, Vancouver to Toronto.	Commodity Rates on Water Traffic, Montreal to Vancouver.	Commodity Rates on Water Traffic, Vancouver to Montreal.
Mode	\$1.475	\$.975	\$.55	\$.60
Median	1.549	1.188	.65	.69
Arithmetic mean	1.689	1.302	.71	.778

This difference is due to the different character of the commodities shipped, goods shipped by water to British Columbia being more similar in character to the goods exported by water from British Columbia in respect to their ability to bear freight charges than is the case in respect to goods shipped by rail.

Table 156 provides a distribution of commodity L.C.L. rates on traffic moving westward by water from Montreal to Vancouver. The rates show a tendency to concentrate between \$.625 and \$1.625 per hundred pounds, with an actual mode (point of greatest concentration) at \$1.00. The mid-point, or middle rate (median) was computed to be \$1.167, and the arithmetic mean was found to be \$1.21.¹⁶

(15) *Ibid.*, Table 190.

(16) *Op. cit.*, Table 191.

TABLE 156.

DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" LESS-THAN-CARLOAD RATES ON TRAFFIC MOVING WEST FROM MONTREAL AND QUEBEC CITY TO VICTORIA AND VANCOUVER.

Rates in Dollars per 100 lbs.	Number of Rates.	Rates in Dollars per 100 lbs.	Number of Rates.
.375- .6249	5	1.625-1.8749	4
.625- .8749	11	1.875-2.1249	2
.875-1.1249	24	2.125-2.3749	8
1.125-1.3749	15		
1.375-1.6249	21	Total	85

SOURCE: Vancouver-St. Lawrence Line, "Intercoastal Tariff No. 2." (Not published.)

Table 157 provides a distribution of commodity L.C.L. rates on traffic moving eastward from Vancouver to Montreal. In this distribution the rates show a tendency to concentrate between \$.625 and \$1.125 with an actual mode (point of greatest concentration) at \$.75. By calculation the middle rate (median) was found to be \$.917 and the arithmetic mean \$1.045.¹⁷

TABLE 157.

DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" LESS-THAN-CARLOAD RATES ON TRAFFIC MOVING EAST FROM VANCOUVER TO MONTREAL.

Rates in Dollars per 100 lbs.	Number of Rates.	Rates in Dollars per 100 lbs.	Number of Rates.
.375- .6249		1.625-1.8749	1
.625- .8749	10	1.875-2.1249	
.875-1.1249	6	2.125-2.3749	1
1.125-1.3749	2		
1.375-1.6249	2	Total	22

SOURCE: Vancouver-St. Lawrence Line, "Eastbound Tariff No. 2." (Not published.)

It is difficult to appraise the results shown in Tables 156 and 157. The number of available rates considered is not large, particularly in the case of traffic moving from Vancouver to Montreal. There is an indication that L.C.L. rates from Montreal to Vancouver tend to be higher than L.C.L. rates on traffic moving in the opposite direction.

In general, this brief analysis of the intercoastal water-borne traffic shows that there is a movement by water of commodities from Eastern Canada of a type presumably least willing to bear the higher railway freight rates, and that as far as carload commodity rates are concerned the rates on water-borne traffic both east and westbound are very similar.

It was shown in Table 140 that in the period 1927 to 1936 deep-sea tonnage moving outward from the Ports of Vancouver and New Westminster exceeded tonnage moving inward on the average by 2,264,414 tons.¹⁸ A further illustration of this situation is shown in Table 158, in which a comparison is made of the number of vessels of British and foreign nationality which have entered inward or outward in ballast or with cargo, at the Port of Vancouver. Vessels of Canadian nationality were excluded from this Table in order to concentrate on the movement of deep-sea vessels which, for the most part, are

(17) *Op. cit.*, Table 192.

(18) Local coastwise shipping is excluded, but water-borne trade with Eastern Canada is included.

TABLE 158.
VESSELS OF BRITISH AND FOREIGN NATIONALITY ENTERED AT THE PORT OF VANCOUVER, 1921 TO 1936.
(NOTE.—Vessels of Canadian Nationality are not included.)

Year.	VESSELS ENTERED INWARD.									VESSELS ENTERED OUTWARD.								
	With Cargo.			In Ballast.			Total Entered Inward.			With Cargo.			In Ballast.			Total Entered Outward.		
	British.	Foreign.	Total of British and Foreign.	British.	Foreign.	Total of British and Foreign.	British.	Foreign.	Total of British and Foreign.	British.	Foreign.	Total of British and Foreign.	British.	Foreign.	Total of British and Foreign.	British.	Foreign.	Total of British and Foreign.
1921.....	128	389	517	10	154	164	138	543	681	86	246	332	9	291	300	95	537	632
1922.....	129	394	523	31	316	347	160	710	870	84	351	435	12	342	354	96	693	789
1923.....	173	417	590	50	329	379	223	746	969	121	421	542	23	309	332	144	730	874
1924.....	112	377	489	101	457	558	213	834	1,047	176	565	741	27	268	295	203	833	1,036
1925.....	109	381	490	66	451	517	175	832	1,007	165	595	760	55	241	296	220	836	1,056
1926.....	112	394	506	123	425	548	235	819	1,054	209	610	819	50	201	251	259	811	1,070
1927.....	108	403	511	116	448	564	224	851	1,075	207	633	840	17	207	224	224	840	1,064
1928.....	130	447	577	205	455	660	335	902	1,237	307	700	1,007	25	188	213	332	888	1,220
1929.....	124	523	647	280	537	817	404	1,060	1,464	389	772	1,161	15	258	273	404	1,030	1,434
1930.....	145	583	728	179	450	629	324	1,033	1,357	276	728	1,004	43	276	319	319	1,004	1,323
1931.....	160	566	726	170	439	609	330	1,005	1,335	266	768	1,034	53	233	286	319	1,001	1,320
1932.....	122	498	620	160	378	538	282	876	1,158	252	656	908	29	213	242	281	869	1,150
1933.....	127	472	599	247	375	622	374	847	1,221	329	650	979	47	203	250	376	853	1,229
1934.....	137	502	639	186	404	590	323	906	1,229	276	642	918	42	251	293	318	893	1,211
1935.....	142	483	625	230	459	689	372	942	1,314	296	597	893	69	326	395	365	923	1,288
1936.....	144	408	552	325	366	691	469	774	1,243	379	424	803	83	343	426	462	767	1,229
16-year Average.....	---	---	584	---	---	557	---	---	1,141	---	---	823	---	---	297	---	---	1,120
Per cent. of Total.....	Inward.	---	51.18%	---	---	48.82%	---	---	100%	Outward	---	73.48%	---	---	26.52%	---	---	100%

SOURCE: Canada, Department of National Revenue, Annual Reports, 1921 to 1936.

of British or foreign nationality. As the Table shows, over the sixteen-year period 1921 to 1936, 51.18 per cent. of these vessels on the average entered with cargo as compared to 48.82 per cent. which entered in ballast. In the same period 73.48 per cent. on the average departed with cargo in contrast to 26.52 per cent. in ballast.

Tables 140 and 158 establish statistically a situation which might be expected in view of the general economic position that British Columbia occupies in the Dominion of Canada. As a Province selling the major part of its surplus production in world markets and purchasing the bulk of its manufactured requirements from Eastern Canada, it follows that imports into British Columbia from world markets must be less than the exports to the world markets. To move British Columbia's exports to world markets, a large volume of shipping space is required. As has been shown import cargoes are not sufficient, and it follows naturally, therefore, that British Columbia exporters must assume the cost of bringing ships-in-ballast to British Columbia ports.

A substantial part of the total number of vessels chartered for use on the Pacific Coast is drawn from the United Kingdom, and the balance chiefly from the Scandinavian countries. The general practice followed by shipping firms is to accept shipments from Vancouver some months in advance of the actual chartering agreement and then, having an accurate knowledge of the cargo available for export at Vancouver, and knowing the export rates, the firm then endeavours to negotiate a charter with, for example, a United Kingdom ship-owner, at such terms as would permit the vessel to be brought out from the United Kingdom to Vancouver in ballast.¹⁹

In part this is a problem more or less characteristic of the region. Due to the bulky character of many British Columbia products it would probably be difficult at any time to have a balanced movement of goods; that is, circumstance would probably require more cargo space for exports than for imports. However, this situation should be very favourable to British Columbia consumers, since this large volume of empty cargo space coming inward should give British Columbia very low import freight rates and correspondingly low prices.

Irrespective of the general level of ocean freight rates or of the numerous influences and factors which determine the general level of ocean freight rates, it is obvious that if it is necessary to bring vessels in ballast to British Columbia the cost of that service must be borne by the exporter. Thus the national trade and tariff policy restricts the possibility of utilizing the import space available and conversely compels the exporter to enter world markets with maximum ocean freight rates. A considerable proportion of tonnage leaving British Columbia ports in ballast would consist of oil tanks used for the importation of crude oil into British Columbia.

Not only is there this discrimination based on the classification of commodities for freight rate purposes, but the actual freight rates imposed on similar commodities in British Columbia are higher than those imposed in Eastern Canada. An analysis of the average cost per ton mile between points equi-distant in the two areas reveals this clearly. For purposes of illustration an analysis has been made of freight rates on iron and steel articles, lumber, cement, paper, and petroleum products. An examination of these rates indicates that in all cases the rates in British Columbia are considerably higher. (See Tables 159-163.)

(19) The cost of bringing out a full-sized freight steamer is approximately \$20,000.

TABLE 159.
COMPARATIVE RAILWAY RATES ON CEMENT.

From St. Mary's, Ont., to	Miles.	Rate.*	Rate.*	Miles.	From Vancouver, B.C., to
Shannonville, Ont.	237	17½	50	236	Cherry Creek, B.C.
Sharbot Lake, Ont.	285	19	59	285	Chase, B.C.
Hamptville, Ont.	345	21	65	347	Malakwa, B.C.
Apple Hill, Ont.	388	22	68	390	Twin Butte, B.C.

* Per 100 lbs., carlots.

Tariff References: C.P.R. No. E 180; C.P.R. No. 160A.

TABLE 160.
COMPARATIVE RAILWAY RATES ON PAPER.
(Building, Roofing, Sheathing, and Wrapping.)

From Montreal, Que., to	Miles.	Rate.*	Rate.*	Miles.	From Vancouver, B.C., to
Pembroke, Ont.	226	27	56	227	Kirton, B.C.
Lindsay, Ont.	300	28	69	302	Myra, B.C.
Galt, Ont.	398	34	68	400	Albert Canyon, B.C.
Windsor, Ont.	568 (1)	39½	87	567	Kootenay Landing, B.C.

* Per 100 lbs., carlots.

(1) C.N.R. Competitive mileage, 559 miles.

Tariff References: C.P.R. No. E 3809; C.P.R. No. 160A.

TABLE 161.
COMPARATIVE RAILWAY RATES ON LUMBER.

From Megantic, Que., to	Rate.*	Miles.	Rate.*	From Vancouver, B.C., to
Foster, Que.	14	106	20	Auram, B.C.
St. Lin Junction, Que.	17	192	26	Jura, B.C.
Smith Falls, Que.	19½	293	30	Squilax, B.C.
Ingersoll, Ont.	24	596	47	McConnel, B.C.

* Per 100 lbs., carlots.

Tariff References: C.P.R. No. E 3603; C.P.R. No. W 160A.

TABLE 162.
COMPARATIVE RAILWAY RATES ON IRON AND STEEL ARTICLES.
(Not including Rails.)

From Hamilton, Ont., to	Miles.	Rate.*	Rate.*	Miles.	From Vancouver, B.C., to
St. Lin Junction, Que.	395	44	81	395	Greenwood, B.C.
St. Martin's Junction, Que.	386	35	68	390	Twin Butte, B.C.
Hurdereau, Que.	301	35	60	304	Carlin, B.C.
Smith Falls, Que.	250	34	60	251	Penticton, B.C.

* Per 100 lbs., carlots.

Tariff References: C.P.R. No. E 560A; C.P.R. No. W 160A.

TABLE 163.

COMPARATIVE RAILWAY RATES ON PETROLEUM PRODUCTS.

From Toronto, Ont., to	Miles.	Rate.*	Rate.*	Miles.	From Vancouver, B.C., to
Bowmanville, Ont.....	48	19½	21	48	Dewdney, B.C.
Brighton, Ont.....	100	22	33	102	Yale, B.C.
St. Thomas, Ont.....	122	25	36	123	China Bar, B.C.
Robendale, Ont.....	144	27½	45	144	Brookmere, B.C.
Perth, Ont.....	199	32	53	200	Erris, B.C.
Winchester, Ont.....	246	36½	53	250	Kamloops, B.C.

* Per 100 lbs., carlots.

Tariff References: C.P.R. No. E 1140A and E-2750B; C.P.R. No. W 160A.

It may be argued that the higher rates in British Columbia are caused by higher costs of operation. It is submitted that it is quite impossible for the railways to state clearly what are the actual costs of operation in British Columbia as compared with any other part of Canada. It is well known that the costs of operation have nothing whatever to do with the establishment of freight rates on the Canadian Railway system, and that these rates are based simply on what the "traffic will bear." In other words, there is no scientific basis whatever for the Canadian Railway rate structure.

Poultry and dairy farmers in British Columbia are also mulcted by the railways with high freight charges on shipments of feed grains from the Prairies. For example, the cost per bushel on a car of wheat shipped from Calgary to Vancouver for local delivery is 24.90 cents as against 15.6 cents to Port Arthur, although the distance to the latter is almost double. A car originating at Calgary and shipped to Vancouver for export, a distance of 642 miles, is shipped at a rate of 12 cents per bushel as against 24.90 cents for local delivery. A similar shipment from Calgary to Montreal for export, a total distance of 2,236 miles, carries a rate of 30 cents per bushel, although the distance is greater by 1,594 miles.

It will be appreciated that it is natural for the railways to encourage movement eastward, as there is always a demand for empties for the shipment of commodities westward, whereas the heavy movement of grain to the Pacific Coast ports would mean a continuous stream of empties being back-hauled. However, as far as British Columbia is concerned, the principal handicap is the existing rate for domestic purposes. In Tables 164 and 165 these differences are shown as an average rate per ton mile. The "all rail rates" are shown in Table 166.

It can be further seen from this study that while British Columbia has an advantage of both rail and water transportation, the limitations of water transportation are such as to modify the situation in favour of British Columbia only to a minor degree. Consequently, it is claimed that the consumers of British Columbia are penalized not only because of geographical conditions but because of the freight rate structure of the Canadian railway system. The penalizing of the consumer in this Province is made possible by the tariff structure of Canada which creates the situation by which the artificially high prices of manufactured goods imported from Eastern Canada are lower than the prices of similar goods produced elsewhere. This is one of the additional costs to British Columbia as part of the Canadian Confederation.

TABLE 164.
AVERAGE DOMESTIC RATE PER TON MILE.
(On Grain other than Flaxseed.)

From	To Vancouver and New Westminster.		To Montreal.	
	Miles.	Rate.	Rate.	Miles.
Calgary.....	642	1.29 cents	0.41 cents	2,236
Edmonton.....	765	1.07 cents	0.41 cents	2,221
Lethbridge.....	769	1.15 cents	0.41 cents	2,170
Moose Jaw.....	1,067	0.94 cents	0.44 cents	1,811
Saskatoon.....	1,121	0.90 cents	0.44 cents	1,893

SOURCE: Computed from Table 166.

TABLE 165.
AVERAGE EXPORT RATE PER TON MILE.
(On Grain other than Flaxseed.)

From	To Vancouver and New Westminster.		To Montreal.	
	Miles.	Rate.	Rate.	Miles.
Calgary.....	642	0.62 cents	0.45 cents	2,236
Edmonton.....	765	0.52 cents	0.45 cents	2,221
Lethbridge.....	769	0.57 cents	0.45 cents	2,170
Moose Jaw.....	1,067	0.47 cents	0.48 cents	1,811
Saskatoon.....	1,121	0.43 cents	0.48 cents	1,893

SOURCE: Computed from Table 166.

REGIONAL PROTECTION.

Various attempts have been made to estimate the real burden of the tariff in concrete terms in Canada and elsewhere. To do this is a matter of extreme difficulty because of the number and variety of factors which affect the incidence of the tariff not only at a particular time but over a period of time. This estimate could be made with accuracy for limited periods of time and in relation to particular items. To estimate with accuracy in dollars and cents, the total burden of the tariff on the community over a period of time would seem to present almost insurmountable obstacles.

An attempt has been made, however, to analyze production in Canada on the basis of whether the market for this production is artificially protected, protected partly naturally and partly artificially, naturally protected, or exposed. This has been done on the basis of the actual quantities of goods sold under these varying conditions. Table 167 shows this estimate for each of the Provinces of Canada, and Table 168 gives similar information as a percentage of the total in each Province. It can here be seen that the goods produced in the various Provinces available for sale under protected conditions varying from 79.41 (*see* note) per cent. in Prince Edward Island to 50.96 per cent. in Saskatchewan, the percentage of protected production in British Columbia being 54.37 per cent. These figures, however, merely show the percentage of goods produced which enjoy protection of some kind under the tariff structure of Canada. It does not indicate the actual degree of protection; that is, the actual tariff rates have not been considered. In other words, all protected production is shown without any attempt being made to indicate the degree of protection, or the extent to which the protection available is used.

NOTE.—Due to importance of Domestic Market.

TABLE 166.
ALL RAIL RATES.
(On Grain other than Flaxseed.)
(Rates in cents per 100 lbs.)

To VANCOUVER AND NEW WESTMINSTER.			From	To PORT ARTHUR AND FORT WILLIAM.		FROM PORT ARTHUR-FORT WILLIAM TO MONTREAL.		TOTAL RATES TO MONTREAL.		TOTAL.
Export.	Local.	Miles.		Miles.	Terminal Rate.	Local.	Export.	Local.	Export.	Miles.
20	41½	642	Calgary	1,217	26 (5)	20	24	46	50	2,236
20	41½	765	Edmonton	1,232	26 (5)	20	24	46	50	2,221
22	44	769	Lethbridge	1,181	25	20	24	45	49	2,170
25	50½	1,067	Moose Jaw	822	20 (5)	20	24	40	44	1,811
24	50½	1,121	Saskatoon	904	22	20	24	42	46	1,893
(1)	(1)				(2)	(3)	(1)	(4)	(4)	

(1) Dominion Bureau of Statistics. Report on the Grain Trade, Year 1936, pages 191-195.

(2) Tariff C.N.R. No. W 183C; C.P.R. No. W 5768.

(3) Tariff C.N.R. No. E 2687; C.P.R. No. W 400-A.

(4) Estimated; no allowance made for handling and terminal charges.

(5) To meet ~~market~~ competition.

TABLE 167.

DISTRIBUTION OF PRODUCTION VALUES BY PROVINCES, 1931.

Province.	PRODUCTION.		
	Total.	Sold Under Protected Conditions.	Sold Under Exposed Conditions.
<i>British Columbia.</i>	\$	\$	\$
Artificially Protected.....	189,588,695	132,829,842	56,758,853
Naturally and Artificially Protected.....	10,400,510	10,353,444	47,066
Naturally Protected.....	19,822,111	.....	19,822,111
Exposed Industries.....	44,185,876	.....	44,185,876
Totals.....	263,997,192	143,183,286	120,813,906
<i>Ontario.</i>			
Artificially Protected.....	1,361,914,297	1,217,188,523	144,725,774
Naturally and Artificially Protected.....	75,228,609	74,380,165	848,444
Naturally Protected.....	99,566,983	.....	99,566,983
Exposed Industries.....	128,078,186	.....	128,078,186
Totals.....	1,664,788,075	1,291,568,688	373,219,387
<i>Quebec.</i>			
Artificially Protected.....	873,453,662	761,122,370	112,331,292
Naturally and Artificially Protected.....	35,803,554	35,382,408	421,146
Naturally Protected.....	67,378,680	.....	67,378,680
Exposed Industries.....	71,204,148	.....	71,204,148
Totals.....	1,047,840,044	796,504,778	251,335,266
<i>Alberta.</i>			
Artificially Protected.....	204,633,883	139,981,926	64,651,957
Naturally and Artificially Protected.....	4,374,006	4,374,006	.....
Naturally Protected.....	8,905,380	.....	8,905,380
Exposed Industries.....	15,608,812	.....	15,608,812
Totals.....	233,522,081	144,355,932	89,166,149
<i>Saskatchewan.</i>			
Artificially Protected.....	140,356,033	77,520,209	62,835,824
Naturally and Artificially Protected.....	3,014,440	3,014,440	.....
Naturally Protected.....	7,836,654	.....	7,836,654
Exposed Industries.....	6,551,275	.....	6,551,275
Totals.....	157,758,402	80,534,649	77,223,753
<i>Manitoba.</i>			
Artificially Protected.....	147,339,486	123,844,645	23,494,841
Naturally and Artificially Protected.....	8,279,426	8,263,737	15,689
Naturally Protected.....	13,628,383	.....	13,628,383
Exposed Industries.....	10,417,155	.....	10,417,155
Totals.....	179,664,450	132,108,382	47,556,068
<i>Nova Scotia.</i>			
Artificially Protected.....	108,399,912	89,565,321	18,834,591
Naturally and Artificially Protected.....	2,749,924	2,749,924	.....
Naturally Protected.....	6,726,308	.....	6,726,308
Exposed Industries.....	10,121,970	.....	10,121,970
Totals.....	127,998,114	92,315,245	35,682,869
<i>New Brunswick.</i>			
Artificially Protected.....	74,230,156	57,445,684	16,784,472
Naturally and Artificially Protected.....	2,067,141	2,067,141	.....
Naturally Protected.....	4,651,705	.....	4,651,705
Exposed Industries.....	12,412,763	.....	12,412,763
Totals.....	93,361,765	59,512,825	33,849,940

TABLE 167—Continued.

DISTRIBUTION OF PRODUCTION VALUES BY PROVINCES, 1931—Continued.

Province.	PRODUCTION.		
	Total.	Sold Under Protected Conditions.	Sold Under Exposed Conditions.
<i>Prince Edward Island.</i>	\$	\$	\$
Artificially Protected	15,008,662	13,259,456	1,749,206
Naturally and Artificially Protected	286,142	286,142	.....
Naturally Protected	518,402	.....	518,402
Exposed Industries	1,268,357	.....	1,268,357
Totals	17,081,563	13,545,598	3,535,965

TABLE 168.

DISTRIBUTION BY PROVINCES OF PRODUCTION VALUES IN 1931.

Province.	DOLLARS. (000,000 OMITTED.)			PERCENTAGE DISTRIBUTION.		
	Total.	Sold under Protected Conditions.	Sold under Exposed Conditions.	Total.	Sold under Protected Conditions.	Sold under Exposed Conditions.
Prince Edward Island	17	13.5	3.5	100.00	79.41	20.59
Ontario	1,664	1,291	373	100.00	77.58	22.42
Quebec	1,047	796	251	100.00	76.03	23.97
Manitoba	179	132	47	100.00	73.74	26.26
Nova Scotia	127	92	35	100.00	72.44	27.56
New Brunswick	93	59.5	33.5	100.00	63.98	36.02
Alberta	233	144	89	100.00	61.80	38.20
British Columbia	263	143	120	100.00	54.37	45.63
Saskatchewan	157	80	77	100.00	50.96	49.04

The percentages showing the amount of production sold under exposed conditions give more definite information, as this production has been sold either in Canada or in foreign countries in competition with goods produced elsewhere. Here it can be seen that in the case of British Columbia 45.63 per cent. of its total production must be sold under these conditions. Many of the commodities included as sold under protected conditions receive a comparatively small degree of protection, and in many cases the protection is merely nominal. It must also be kept in mind that the major part of production from our forests, mines, and fisheries must be sold on world markets under competitive conditions.

MONETARY POLICY.

The problems arising out of the depression which began with the crash on the New York stock market in September, 1929, were met by different countries in a variety of ways. In no case, mainly for political reasons, were the normal consequences of the depression factors allowed to take their course and ultimately arrive at a normal readjustment and equilibrium. The plans put into effect to correct the economic evils of the depression were widely divergent. For the purpose of this analysis only three countries will be considered, namely, Australia, the Argentine, and Canada. These three countries had many things in common. They were all debtor nations and consequently required a favourable balance of trade in order to meet foreign obligations. They were also in

the main primary producing countries, and consequently depended on the export of primary commodities in order to create this favourable balance. However, in order to meet their economic problems, these countries adopted three distinct methods.

Australia adopted the method of currency inflation. This allowed exporters to undersell their competitors in foreign markets, principally Great Britain, and at the same time to receive a high price for these commodities in Australian money. Inasmuch as this policy helped the export trade, at the same time it hindered the import trade and encouraged the development of local manufacturing. Australia, however, had to pay large sums of money in interest on loans, mainly to Great Britain. With the depreciated currency this meant an additional burden which was met by new loans to pay interest on past loans. However, it was considered that the encouragement which was given to industry and trade, resulting in increased employment, more than balanced the cost of the consequences of an unorthodox financial policy.

The Argentine, in addition to inflating her currency, adopted a method of bonusing primary exports by a monetary device. This country was faced with an adverse balance of trade. The countries to which she sold were not buying her products, and the fall in world prices of primary products had caused particular hardship on the Argentine wheat-growers. Consequently, it was decided to meet the situation by the control of foreign exchange. The Government took control of the buying and selling of all foreign exchange, and established foreign exchange transactions on a quota basis in proportion to the purchases of Argentine's goods by various countries. It was considered that the Government would make a profit on the buying and selling of exchange. This profit could be used to bonus domestic producers and also to give protection to local manufacturers. The result of this policy was to encourage local manufacturing. Agriculturists were assisted from the fund accruing from the profits made on dealing in foreign exchange.

Canada, unlike Australia or the Argentine, had no special monetary policy planned to meet economic distress. Instead, Canada chose a policy of high tariffs, believing that this protection would create local employment. It was also intended that this high tariff should be used as a bargaining instrument to force other countries to make favourable trade treaties. A "sound" monetary policy was adopted as distinct from the inflationary policies of Australia and Great Britain. However, in practice the high tariff policy of Canada became in fact a monetary policy, although in name it continued to be a tariff policy. This was accomplished by means of the artificial valuation for exchange dumping duties on goods entering Canada. It is not necessary here to enter into the details of this policy. It has already been dealt with in the brief for the Province of Manitoba and is familiar to the Commission. Sufficient to say that power was given to the Minister of National Revenue to put an artificial value on foreign exchange, based in part on the price level in the foreign country affected. In this way an artificial value was placed on goods entering Canada which in effect had no relation to the cost of production in the country of origin. This duty was related to the exchange rates of Canadian currency with the currency of the country from which the imports came. It is for this reason that the term "dumping duty" is a misnomer, and this section of the tariff is really part of the monetary policy of Canada and not of its tariff policy. However,

the result of this policy was to give an undue measure of protection to certain Canadian interests.

It will thus be seen that Australia, by inflating her currency, enabled her exporters to receive a higher price for their products which increased purchasing power within the country. The Argentine, by controlling foreign exchange, made a profit and bonused exporters. Canada, on the other hand, relied on protection of her manufacturing industries to regain prosperity. She did this in five ways: (1) high duties were placed on foreign imports, (2) a dumping duty was placed on those articles which were still able to enter Canada in spite of regular duties, (3) exchange dumping duties were placed on imports from countries with depreciated currencies, (4) artificial values for ordinary duty purposes on commodities coming from these countries were set, and (5) surtaxes of different kinds were placed on imports. Canada's monetary policy affected the primary producers adversely, and only one primary product, namely wheat, was assisted artificially by a bonus. By these five forms of protection Eastern Canadian manufacturers benefited, the wheat-growers of the Prairies benefited to the extent of the bonus, and British Columbia suffered from this policy and received no special benefit. If there was justification for bonusing wheat in the Prairies there was similar justification for bonusing the primary products of British Columbia. Table 169 shows the extra duty collected by Canada as a result of its monetary policy. Column 1 shows all additional duties such as surtaxes, which are not ordinary taxes. Column 2 shows the amount collected from dumping duties and exchange dumping duties.

TABLE 169.
ADDITIONAL AND DUMPING DUTIES COLLECTED.

Fiscal Year ending March 31.	1. Additional Duties.	2. Duties on Articles Lower than the Home Trade Price.
1932	\$941,568	\$1,976,625
1933	582,478	4,101,257
1934	578,133	1,764,761
1935	639,194	1,264,659
1936	858,066 (1)	1,200,890
	\$3,599,439	\$10,308,192
Total (Columns 1 and 2)	\$13,907,631	

(1) Includes Japanese surtax of \$213,743.

SOURCE: Canada, Dominion Bureau of Statistics, "Trade of Canada for Fiscal Years."

As ordinary dumping duties are meant to have, and do have, the effect of prohibiting the importation of certain foreign articles, the amount collected from this source should be very small; therefore most of the revenue in the above Table must be from exchange dumping duties. In the published trade reports there is no segregation. However, this Table does not include all of the extra duty paid. The Dominion Government set certain values for duty purposes which were above the current rate of exchange. For example, if an article cost one pound sterling with the rate of exchange at \$4.00, and the duty on it was 25%, the value of the duty would not be \$1.00. The value of \$4.86²/₃ was set for duty purposes, and 25 per cent. of \$4.86²/₃ is \$1.22. The \$0.22 is not included in this Table. Another way of stating this is that the duty for protection was not 25 per cent., but 30.5 per cent.

The following Table shows the amount of bonus paid to the wheat-growers of the Prairie Provinces, 1931 to 1936.

TABLE 170.

BONUS PAID TO WHEAT-GROWERS IN THE PRAIRIE PROVINCES BY THE DOMINION OF CANADA.

Year.	Wheat Bonus of Five Cents per Bushel.
1931-1932	\$10,908,428
1932-1933	1,811,471
1933-1934	312
1934-1935	1,174
1935-1936	198
Total	\$12,721,583

SOURCE: Canada: Auditor-General's Report.

The manufacturing industries of Eastern Canada benefited by this taxation in that this form of dumping duty gave protection from a great deal of competition. This benefit went, in the main, to Eastern Canada, mainly Ontario and Quebec. It imposed a burden on the three Prairie Provinces in that they had to pay not only the higher tariff on imported goods but also the higher price which this tariff enabled the manufacturers of Eastern Canada to charge. The Prairie Provinces, however, were recompensed for this to some extent in that the Dominion Government, seeing the disastrous effect of this on the Prairie wheat farmers, paid a bonus on wheat sold. British Columbia, on the other hand, had to pay this higher duty and also the higher prices for domestic manufactures which these duties made possible, and received nothing in return. British Columbia citizens paid the higher taxes, local manufacturing industries did not benefit to any extent, and no special aid was given to the primary industries of this Province such as was given to the wheat-growers of the Prairie Provinces. In Eastern Canada, consumers were also injured by the higher prices of imported articles and the higher prices of domestic manufactures, but Eastern producers were benefiting. In British Columbia, both producers and consumers were injured. The consumers suffered for the same reason as Eastern Canadian consumers. Producers in British Columbia, engaged in industries essentially dependent upon foreign trade for their existence, suffered by the decreased purchasing powers in the foreign markets. Thus, in British Columbia, consumers had to pay higher prices for the goods which they bought, and there was no compensating advantage to British Columbia producers.

The method by which this policy was carried out is interesting. Quite arbitrary powers were given to the Minister. An Order-in-Council would be passed in which it would be stated that to the satisfaction of the Minister certain articles were being imported into Canada which injuriously and prejudicially affected Canadian industry. The Minister would then set values on these articles for dumping duty purposes. The fair market value in the country of origin had nothing whatever to do with this valuation. A notice would then be put in the Canada Gazette stating the value for duty purposes of the article in question. This could be altered in any manner on the decision of the Minister. In this way an extremely high protection was given to manufacturers in Eastern Canada at the expense of Canadian consumers.

The monetary policy of Canada, of which this was an important part, had two consequences: (1) it had a definite effect on the general price level in Canada, and (2) it affected the payments of principal and interest due outside Canada during this period.

THE PRICE LEVEL.

In order to show the effect of this policy on the price level, the price level of Canada has been compared with that of other representative countries. Wholesale price indexes have been taken, and those selected have been those which would correspond most closely with the Dominion Bureau of Statistics wholesale price index, with 1926 represented as 100. Those indexes which were based on a different year have been converted so that their base year would be 1926 and the series would be comparable with that of Canada. This is shown in Table 171. Owing to differences in the construction of these indexes it would not be proper to compare individual items, but the indexes as a whole show trends accurately, and it is only to the extent that these indexes are scientifically comparable that they have been used.

It will be seen from these indexes that during the depression years, 1931-1935, the Argentine kept its price level on the average about 30 per cent., and similarly Australia about 12 per cent., higher than Canada. This meant that people in the Argentine or in Australia who had fixed charges to pay within their respective countries, were 30 per cent. or 12 per cent. respectively better off than individuals similarly situated in Canada.

The price level in Canada was approximately the same as that of the United States until 1932 when United States prices were approximately 8 per cent. lower than those in Canada. By 1934, however, United States prices were about 7 per cent. above those of Canada, and in 1935 about 15 per cent. In Great Britain, where prices fell lower than in Canada, the situation was partially met by the conversion of a large part of the national debt to lower interest rates, so that the effect of a lower price level on national finances was not so great. It may also be pointed out that Canada's monetary policy resulted in the prices of manufactured goods being kept at a relatively high level, while

TABLE 171.
WHOLESALE PRICE INDEXES.
(1926=100.) (1)

	Argentine.	Australia.	Japan.	United Kingdom. (2)	United States. (3)	Canada.
1926	100	100.0	100	100.0	100.0	100.0
1927	98	99.2	95	96.2	94.2	97.7
1928	99	97.8	96	94.3	97.9	96.4
1929	96	98.4	93	88.8	96.3	95.6
1930	92	87.1	77	73.3	86.3	86.6
1931	89	78.0	64	62.4	71.4	72.1
1932	90	77.1	68	60.2	61.6	66.7
1933	86	76.9	76	60.7	64.6	67.1
1934	98	80.2	75	63.1	76.6	71.6
1935	97	80.2	78	65.9	83.5	72.1

(1) The indexes have all been converted to 1926 as a base year.

(2) The London "Economist."

(3) Irving Fisher.

SOURCE: Canada, Dominion Bureau of Statistics, Prices and Price Indexes, 1913-1935, Table LIII., page 164.

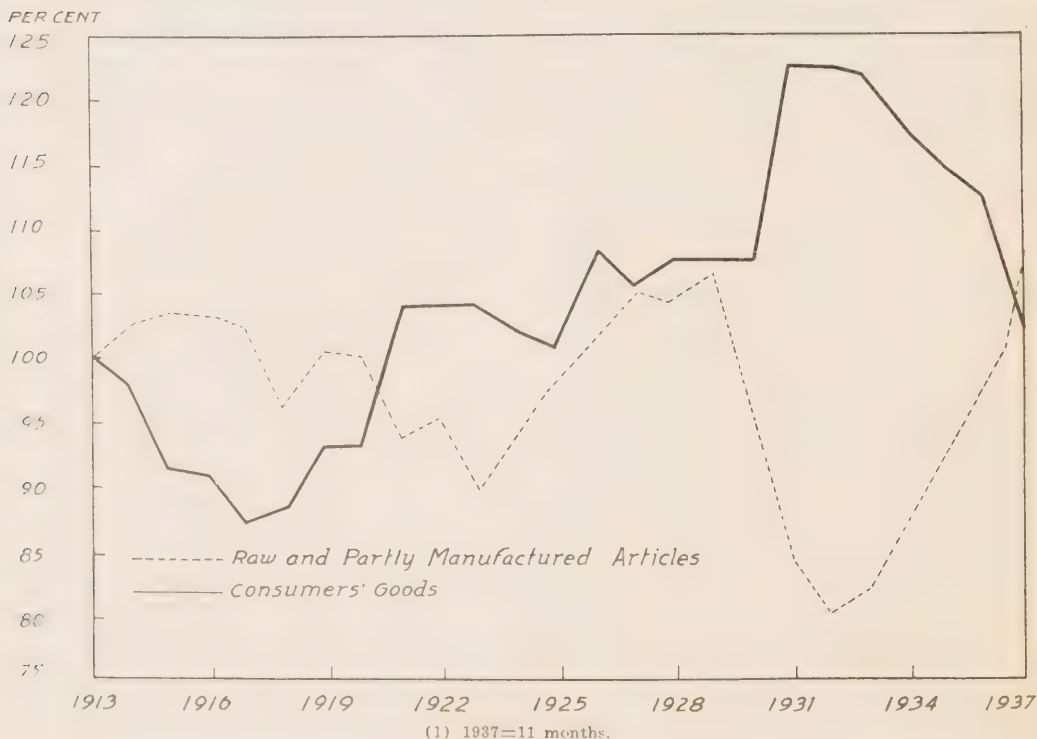
the prices of primary products fell to very low levels. The immediate effect of the early stages of the depression was to create for Canada an adverse balance of trade. This was naturally disastrous to a debtor country; consequently something had to be done to restore a favourable balance. The policy adopted to overcome the adverse balance of trade of Canada at that time was primarily to restrict imports and arrive at a favourable balance through a general contraction of trade, imports being contracted to a greater degree than exports. Australia, on the other hand, primarily encouraged exports and secondarily discouraged imports.

The monetary policy of Canada affected the price level of manufactured articles and primary products differently. Chart IX. shows the price index of consumers' goods as a percentage of the price index of producers' goods. Prior to the War there were only small variations. During and following the War there were slightly larger variations, but during the depression, due to the policy of the Dominion Government, there was a very large increase in the cost of consumers' goods over the cost of producers' goods. In the same chart it will be seen that prices of raw materials and partly manufactured articles, expressed as a percentage of the price index of fully manufactured articles, declined during the depression. This illustrates in general the effect of the monetary policy of Canada in keeping up only the prices of those manufactured articles which were sold in Canada.

CHART IX.

A COMPARISON OF PRICE VARIATIONS BETWEEN CONSUMERS' GOODS AND RAW AND PARTLY MANUFACTURED ARTICLES, 1913-1937.⁽¹⁾

(Index of consumers' goods expressed as a percentage of the Index of Producers' Goods.
Index of Raw and Partly Manufactured Articles expressed as a percentage of the Index of Fully and Chiefly Manufactured Articles.)

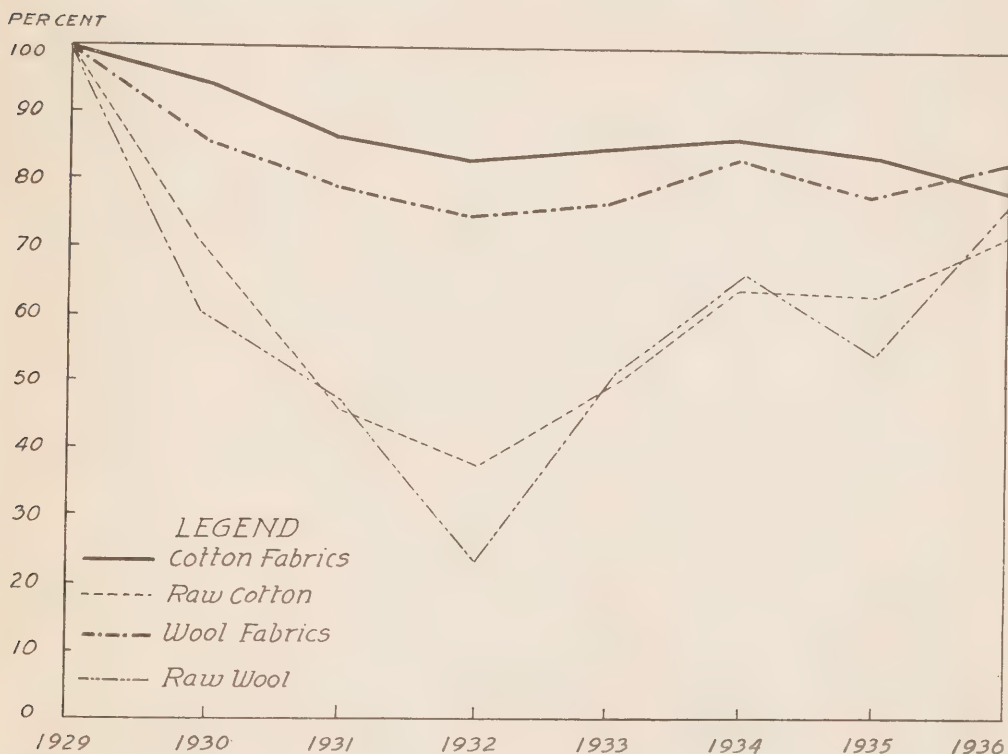


Charts X. and XI. show the relative difference in prices of the imported raw materials such as cotton, wool, rubber, and their products. These prices dropped to low levels, while the prices of the manufactured products made from them dropped only slightly in comparison, and retained a relatively uniform price irrespective of the violent changes in the prices of their raw materials. A comparison made of a variety of commodities has shown the same result.

CHART X.

VARIATIONS IN THE PRICES OF RAW COTTON, COTTON FABRICS, RAW WOOL, AND WOOL FABRICS, 1929-1936.

(Based on Dominion Bureau of Statistics Price Indexes with 1926=100 converted to 1929=100.)



The Dominion Bureau of Statistics, referring to the relative prices of imports and exports, states: "during the greater part of the past 23 years general commodity wholesale price index numbers and those for principal imports and exports have moved along courses which were almost parallel . . . The most serious dislocation in the three series commenced in 1928 and still remains of considerable proportions. During this period export prices which relate predominantly to primary products have fallen relatively much lower than the average of all commodities or of imports. Both the general index and that for imports are heavily weighted by manufactured products, prices for which are characteristically more stable than those for primary products."²⁰

(20) Canada, Dominion Bureau of Statistics: "Prices and Price Indexes," 1913-1935, p. 63.

CHART XI.

VARIATIONS IN THE PRICES OF RAW RUBBER, RUBBER TIRES, AND RUBBERS, 1929-1935.

(Based on Dominion Bureau of Statistics Price Indexes with 1926=100 converted to 1929=100.)

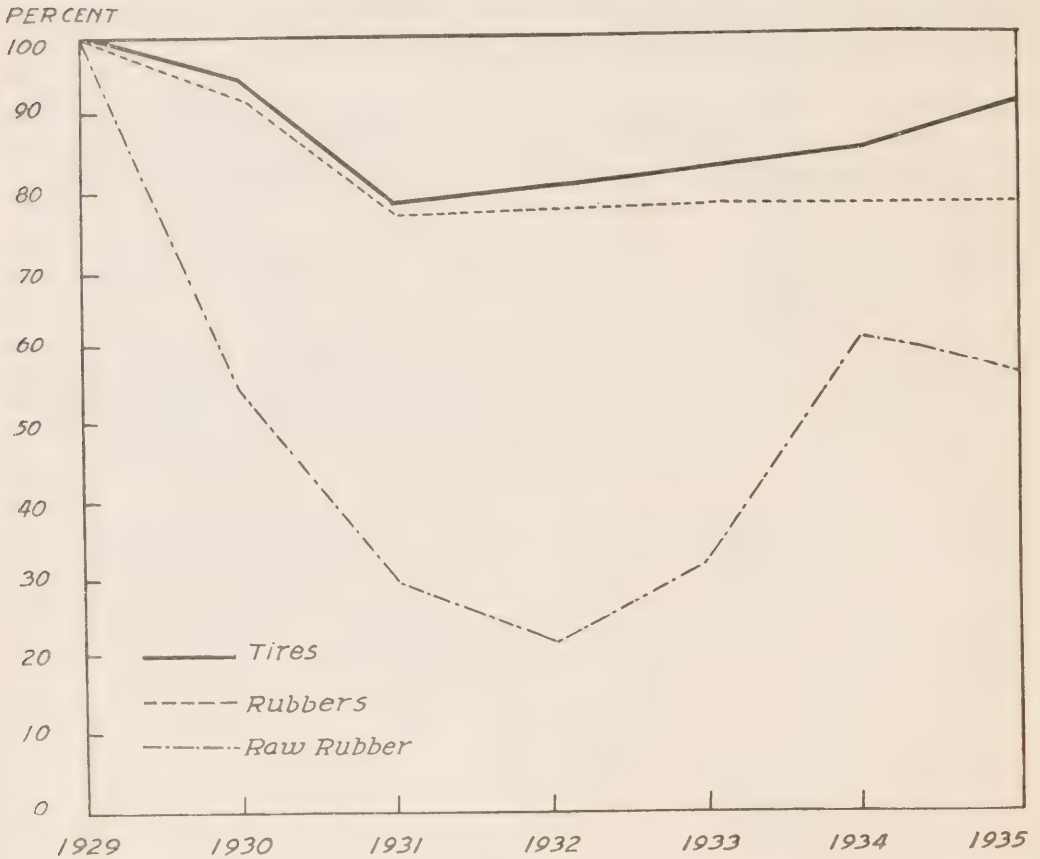
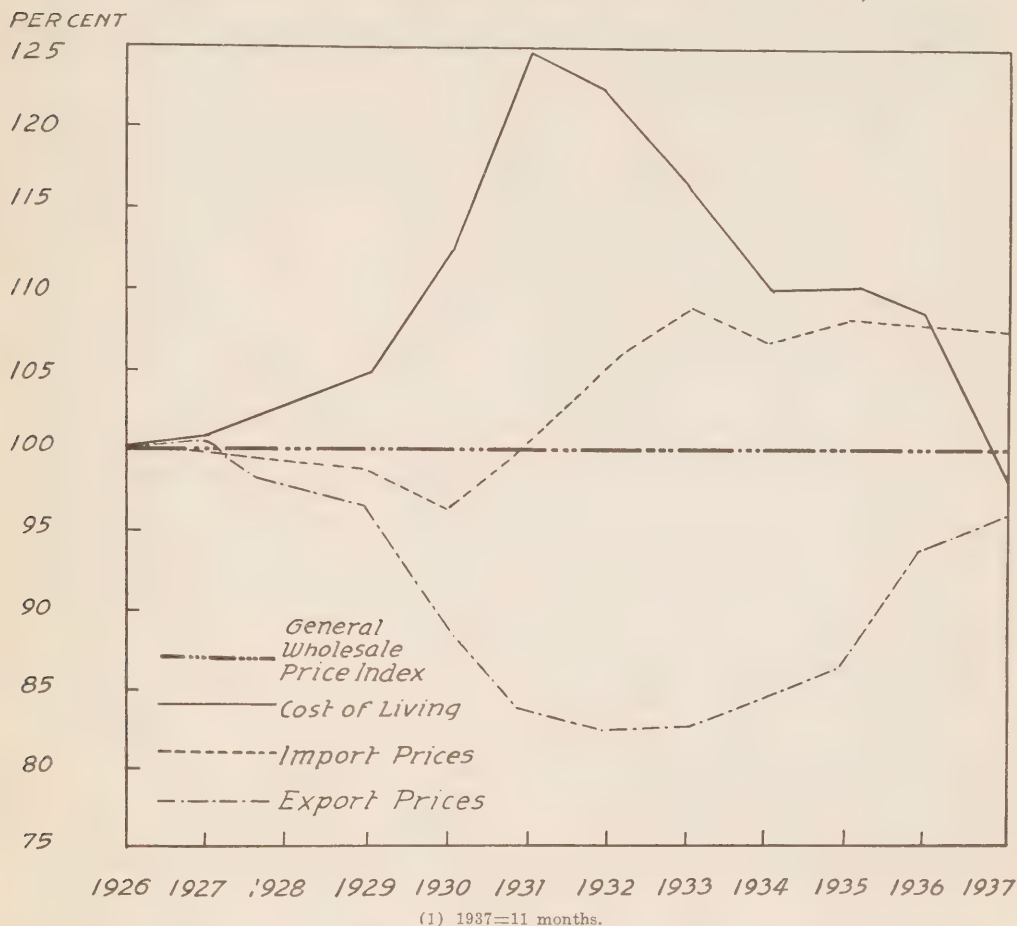


Chart XII. shows the trend of export prices, import prices, and cost of living in relation to the general wholesale price. The fall in export prices is here clearly seen in relation to import prices. As previously indicated, Chart IX. shows the trend of prices of raw and partly manufactured articles in relation to manufactured articles and consumers' goods. The downward trend of raw and partly manufactured articles is here indicated in relation to both consumers' goods and manufactured articles. The significance of this situation can be appreciated in relation to the economy of British Columbia, which is based mainly on primary products. This result is accounted for by the policy which was adopted in Canada of obtaining a favourable balance of trade by discouraging imports rather than encouraging exports. The result of this policy, which kept the prices of manufactured goods high, also kept the cost of living relatively high. This placed an additional burden on the people of Canada, apart altogether from the higher burden of fixed charges such as mortgages, etc., which the Canadian people had to meet, on the basis of a lower price level

CHART XII.

A COMPARISON OF EXPORT PRICES, IMPORT PRICES, AND THE COST OF LIVING, 1926-1937.⁽¹⁾

(The Export Price Index, the Import Price Index, and the Cost of Living Index have been expressed as a percentage of the General Wholesale Price Index.)



or a higher value of the dollar. This is shown in Chart XIII. where the Dominion Bureau of Statistics' index for the cost of living is shown as a percentage of the general wholesale price index. It will be seen that while the export prices fell in relation to general wholesale prices, the cost of living went up.

In order to give a complete picture, the relationship between the cost of living index, general wholesale price index, and the export price index, is shown on Chart XIII.

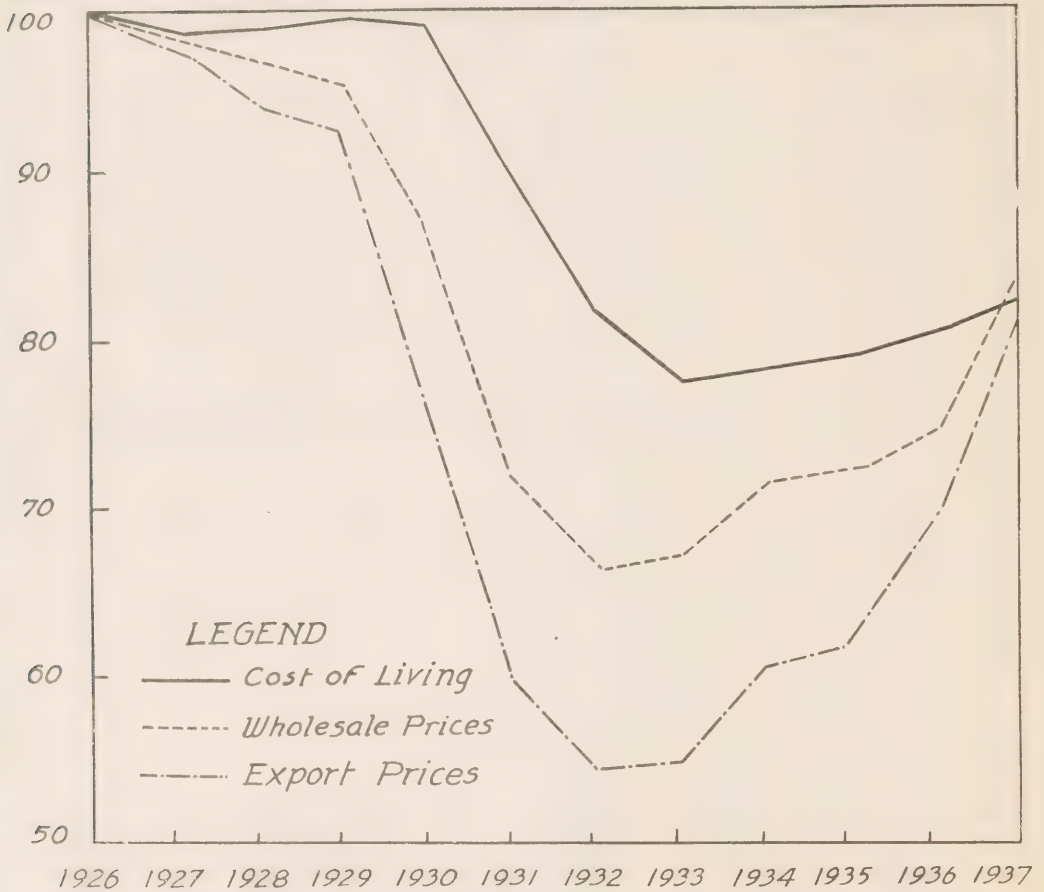
Consequently, it can be seen that the national monetary policy of Canada was particularly disadvantageous to those parts of Canada dependent in the main on primary production. A policy of obtaining a favourable balance of trade through discouraging imports rather than encouraging exports resulted in relatively abnormally high prices for manufactured goods and relatively low prices of primary products and export commodities. "It was in these years that the failure of producers' prices to resist decline as did consumers' prices, created so serious a shortage of purchasing power in the hands of

CHART XIII.

VARIATIONS IN CANADIAN WHOLESALE PRICES, EXPORT PRICES, AND THE COST OF LIVING, 1926-1937.⁽¹⁾

(Based on Indexes of the Dominion Bureau of Statistics, 1926=100.)

PER CENT



(1) 1937=11 months.

farmers and other primary producers.”²¹ Had it not been for the fact that inflationary monetary policies were adopted in Great Britain and more particularly in the United States, in the spring of 1933, the primary producers of Canada would have been faced with absolute disaster.

The significance of this analysis is that in a national crisis the policies adopted were such as to favour the manufacturing interests of Canada to the disadvantage of primary producers. It is natural that primary producers should feel that what has happened in the past is likely to happen in the future, due to the fact that the British North America Act places the control of money and banking and trade and commerce in the hands of the central government upon which strong political pressure is exercised by the manufacturing interests.

⁽²¹⁾ Canada, Dominion Bureau of Statistics, “Prices and Price Indexes,” 1913-1935, page 45.

EXTERNAL DEBT OBLIGATIONS.

The crisis 1931 to 1934 indicates not only that the national policy is likely to favour manufacturing interests as against primary producers, but also that it is likely to favour the central government as against the governments of the Provinces and the municipalities. This is shown by the effect of the national monetary policy on payments of principal and interest owing outside Canada.

In this study an attempt has been made to secure all available information on the external debt of Canada at that time. A study of the policy of the Dominion Government in this respect would reveal that (1) owing to the increase in the monetary value of gold the Dominion Government made a profit on its gold holdings of about \$49,000,000; (2) a statement of revenue and expenditure on foreign exchange transactions of the Dominion Government as shown in the Auditor-General's Reports, would indicate that during the fiscal years 1931-32 to 1933-34 a profit on foreign exchange to the amount of \$7,917,948.83 was made; (3) during this period no payments on principal of the Dominion Government debt outside Canada fell due, while considerable payments had to be made by the Provincial Governments and municipalities. Thus, the Canadian monetary policy was one which was favourable to the Dominion Government and unfavourable to the Provincial Governments and the municipalities. In other words, by the insistence on the maintenance of the value of the Canadian dollar in the foreign exchange markets, special burdens were placed on the Governments of the Provinces and the municipalities in meeting external obligations.

At the same time the Dominion Government, through its exchange transactions in sterling and United States dollars, was able to avoid loss. Tables 172-176 show the foreign exchange transactions during the fiscal years 1931-32 to 1933-1934.

It will be seen from Table 173 that the monetary policy of the Dominion cost the Province of British Columbia the sum of \$2,686,795.50 during the years 1932, 1933, and 1934. It is difficult to estimate the loss to the municipalities in this respect. However, a survey made by means of a questionnaire indicates that the loss to the municipalities was at least \$104,972.

The policy which was adopted favoured

1. the manufacturing industries,
2. the central government,

to the disadvantage of

1. primary producers throughout Canada, and
2. provincial and municipal governments.

This was particularly serious for the Province of British Columbia as it is dependent mainly on primary production for the support of the community.

This is an analysis of what actually took place during a crisis in Canada. There may have been good and sufficient reasons at the time for the actions taken. There is little doubt, however, that a continuation of this policy would have ruined the industries of this Province and wiped out the revenues of the Government. Fortunately, change in the monetary policy of countries outside Canada necessitated change in the Canadian policy which relieved the situation in this Province.

DOMINION OF CANADA.
EXCHANGE PROFIT AND LOSS, FISCAL YEARS 1931-32 TO 1933-34.⁽¹⁾
(All gold transactions are deleted.)

PROFIT.		LOSS.	
<i>1932.</i>		<i>1932.</i>	
Premium on New York funds loaned to Saskatchewan	\$70,000.00	Premium on sterling exchange purchased	\$385.42
Premium on New York funds loaned to Alberta	70,644.37	Premium on New York funds purchased	444,710.32
Premium received by sundry departments		Premium paid on bonds redeemed prior to maturity	500.00
			\$445,595.74
<i>1933.</i>		<i>1933.</i>	
Discount on stocks purchased for sinking funds	\$152,281.31	Discount received by various departments on drafts purchased on London	\$63,855.86
Discount on sterling exchange purchase	3,864,765.84	Difference in exchange on £400,000 sold to Canadian National Railways at various rates	445,760.41
Discount on sterling payments received at current rates of exchange and deposited in London	503.88	Difference between par and \$4.23 on amounts advanced by Imperial ships to R.C.N. officers and men	2,040.85
Difference in rates of purchase and sale price of bonds for Bond Holding Account	88,371.90	Premium on New York funds purchased	21,493.24
Difference between par and \$3.77½ on £16,625/13/10 received from P.O. Dept., being balance due Canada on United Kingdom Account, July, 1932	18,149.70		533,150.36
Premium on sale of New York Funds	4,949,046.16		
Premium on Interest cheque refund by Hon. Geo. P. Graham	605.50		
Premium on sundry items	117.93		
Premium received by sundry departments			
	9,072,842.22		
	12,570.44		
<i>1934.</i>		<i>1934.</i>	
Premium received by sundry departments	\$94,150.73	Discount on sterling exchange sold	\$4,363,422.37
Discount on stock purchased for sinking funds	40,227.41	Discount on New York Funds sold	28,112.90
Discount on sterling exchange purchased	50,158.33	Difference in rates of purchase and sale of bonds for Bond Holding Account	4,350.00
Difference in rates of purchase and sale of bonds for Bond Holding Account	71,600.10	Difference in rates of purchase and sale of British Treasury Bills	3,275.23
Difference in rates of purchase and sale of British Treasury Bills	10,748.44	Premium on stocks purchased for sinking funds	25,071.35
Premium on sale of New York funds	3,307,404.96	Premium on sterling exchange purchased	194,260.17
Premium on sale of sterling exchange	1,194,616.82	Premium on New York funds purchased	489,572.45
	4,768,916.79		5,108,064.47
Total Income	\$14,004,759.40	Total Expense	\$6,086,810.57
	Net Income, \$7,917,948.83.		

(1) Certain discounts and premiums were undoubtedly due to purchase of bonds for sinking fund purposes, below or above the par value of the bonds. The Auditor-General's Report does not make it clear whether all the premiums and discounts were for this reason or for differences in foreign exchange. There were probably both types of discounts and premiums. As the sums were relatively small they have been left in this Table.

SOURCE: Canada, Auditor-General's Reports, 1931-32 to 1933-34.

The factors which led the Dominion Government to take such action during this period are still dominant in Canada. In a similar crisis in the future it is not unlikely that similar action would be taken.

As the action taken with regard to monetary policy by the Dominion Government placed the Provinces and the municipalities in a position of disadvantage in the matter of meeting foreign obligations, which resulted in financial loss to these bodies, it is not unreasonable to suggest that the Dominion Government should have borne the loss accruing to the Provinces and the municipalities because of the national monetary policy, or at least rendered such assistance as would have avoided loss.

TABLE 173.

PROVINCE OF BRITISH COLUMBIA.

EXCHANGE PROFIT AND LOSS FOR FISCAL YEARS 1931-32 TO 1933-34.

New York Expense, 1932:		
Exchange on Interest	\$308,926.78	
Exchange on Principal	555,352.53	
		\$864,279.31
New York Expense, 1933:		
Exchange on Interest	\$537,839.04	
Exchange on Principal	401,071.85	
		938,910.89
Sterling Expense, 1933:		
Exchange on New Loan		976,356.51
New York Expense, 1934:		
Exchange on Interest	272,297.46	
Total Expense for Three Years		\$3,051,844.17
Sterling Income, 1932:		
Exchange on Interest	(1) \$43,992.85	
Sterling Income, 1933:		
Exchange on Interest	(1) 177,254.83	
New York Income, 1933:		
Exchange on New Loan		110,000.00
Sterling Income, 1934:		
Exchange on Interest	(1) 33,800.99	
Total Income for Three Years		\$365,048.67
Net Expense for the Three Years		\$2,686,795.50

(1) Sterling payments subtracted.

SOURCES: British Columbia, Public Accounts.

Department of Finance, Treasury Branch, Special Statement.

TABLE 174.

BRITISH COLUMBIA MUNICIPALITIES.
EXCHANGE PROFIT AND LOSS FOR THE FISCAL YEARS 1931-1933.

New York Expense, 1931:	
Premium Exchange on Interest	\$75,361
Premium Exchange on Principal	8,407
	<u>\$83,768</u>
Unclassified Exchange Expense, 1931	12,773
New York Expense, 1932:	
Premium Exchange on Interest	\$210,698
Premium Exchange on Principal	37,186
	<u>247,884</u>
New York Expense, 1933:	
Premium Exchange on Interest	\$102,321
Premium Exchange on Principal	38,563
	<u>140,884</u>
Unclassified Exchange Expense, 1933	7,347
Sterling Expense, 1933:	
Premium Exchange on Principal	15,721
	<u>15,721</u>
Total Exchange Expense, 1931, 1932, 1933	<u>\$508,377</u>
Sterling Income, 1931:	
Discount Exchange on Interest	\$31,495
Discount Exchange on Principal	51,935
	<u>\$83,430</u>
Sterling Income, 1932:	
Discount Exchange on Interest	\$186,392
Discount Exchange on Principal	70,213
	<u>256,605</u>
Unclassified Exchange Income, 1932	8,776
Sterling Income, 1933:	
Discount Exchange on Interest	\$54,308
Discount Exchange on Principal	286
	<u>54,594</u>
Total Exchange Income, 1931, 1932, 1933	<u>403,405</u>
Net Exchange Expense, 1931, 1932, 1933	<u>\$104,972</u>

SOURCE: Information obtained from replies to questionnaires sent to the various municipalities. Most of these sums include banking charges as the accounting methods in the municipalities did not allow for any segregation of the different charges.

PREMIUM ON FOREIGN EXCHANGE DUE TO PAYMENTS MADE BY PROVINCIAL GOVERNMENTS ON THEIR EXTERNAL
DEBT FOR THE YEARS 1931, 1932, 1933.

PREMIUM ON INTEREST PAYMENTS. (1)			PREMIUM ON PRINCIPAL PAYMENTS.			
Province.	1932.	1933.	1934.	1932.		1933.
				Principal.	Exchange Premium.	Principal.
Prince Edward Island						
Nova Scotia	\$249,877.36	\$240,492.56	\$86,862.50			
New Brunswick	244,029.97	34,848.71	6,035.77			
Quebec (2)	84,173.66	158,286.82	47,715.21			
Ontario	2,330,463.13	1,303,575.91	765,339.81			
Ontario (3)	171,336.69			\$4,256,000 (5)	\$683,790 (6)	\$621,305 (6)
Manitoba	243,028.99	337,239.83	100,232.21			
Saskatchewan	195,508.25	358,748.00 (4)	175.04	6,158,000 (7)	525,020 (8)	632,717 (6)
Alberta	71,713.22			3,000,000 (9)	520,500 (6)	
British Columbia	308,926.78	537,839.04	272,297.46	5,500,000 (10)	555,352 (10)	401,071 (10)
Estimated Exchange Expenditure on Ontario's Capital Payments		\$2,371,030.87	\$1,278,653.00			
Totals	\$3,210,263.05	\$2,349,725.87	\$1,278,653.00	\$23,914,000	\$3,044,561	\$12,829,000
						\$1,655,093
Total Premium Expenditure on Interest Payments						\$6,838,646.92
Total Premium Expenditure on Principal Payments						4,699,654.00
Grand Total						\$11,538,300.92

(1) Canada, Dominion Bureau of Statistics, Financial Statistics Branch, "Financial Statistics of the Provincial Governments, 1932 and 1933; and 1934." Compiled from information received from the Provincial Governments.

(2) There is no exchange reference in the accounts for Quebec but it is assumed that the item "discount" represents exchange.

(3) The different provinces have various fiscal years. This sum was taken from the Public Accounts of Ontario because Ontario's fiscal year ended October 31, 1932, and there was the period in 1931 between September 21 and October 31 in which exchange had to be paid on New York payments.

(4) Saskatchewan: "A Submission to the Royal Commission on Dominion-Provincial Relations," p. 247. The exchange premium in 1933 is not found in the "Financial Statistics of Provincial Governments," but is probably included in "Capital Payments," on p. 64 of that publication.

(5) Ontario, Public Accounts.

(6) Estimated, by taking the average rate of exchange at, or approximately at, the date of payment.

(7) Manitoba, Public Accounts.

(8) Total estimated loss is \$950,795, but Manitoba sold securities in New York on October 1, 1931, to the amount of \$3,442,000 and made an estimated exchange profit of \$425,775, which left a net expense of \$525,020.

(9) Alberta, Public Accounts.

(10) British Columbia, Department of Finance.

NOTE.—Many bonds, while they are payable in New York or London, are payable in Canadian currency only, or at a fixed rate of exchange. It is for this reason that the essential information is the actual amount of premium or discount that accrued through payments in these two financial centres.

TABLE 176.

ESTIMATED PROVINCIAL AND MUNICIPAL BONDED INDEBTEDNESS
AS AT JANUARY 1, 1933.

Provincial:

Direct—		
Payable in Canada	\$328,089,894 (1)	
Payable in United States	769,198,150 (2)	
Payable in London	92,665,986	
		\$1,189,954,030
Guaranteed—		
Payable in Canada	\$91,509,735	
Payable in United States	56,074,326	
Payable in London	74,258,544	
		221,842,605

Municipal:

Payable in Canada	\$914,540,546	
Payable in United States	314,945,200	
Payable in London	93,608,320	
		1,323,094,066

(1) "Payable in Canada" figures include all such bonds, whether payable in dollars or sterling.

(2) "Payable in United States" figures include bonds optionally payable in United States.

SOURCE: Saskatchewan: "A Submission to the Royal Commission on Dominion-Provincial Relations," p. 250.

NOTE.—This is an estimate by A. E. Ames & Company which was submitted to Saskatchewan by Dr. Clark, Deputy Minister of Finance of Ottawa. He informed Saskatchewan that much of the information concerning the external debt of the provinces and municipalities was lacking and he was only able to submit the above estimate.

TABLE 177.

ESTIMATED INTEREST ON PROVINCIAL AND MUNICIPAL EXTERNAL
BONDED INDEBTEDNESS AS AT JANUARY 1, 1933.

<i>Provincial:</i>	New York.	London.
Direct	\$38,460,000	\$4,633,000
Guaranteed	2,834,000	3,713,000
	\$41,294,000	\$8,346,000
<i>Municipal</i>	15,747,000 (1)	4,680,000
Totals	\$57,041,000	\$13,026,000

(1) The estimated municipal interest charge. \$15,747,000, is 38.13% of \$41,294,000, the estimated provincial interest charges.

These figures are 5% of the corresponding figures in Table 176. The figure 5% was chosen arbitrarily. The actual exchange premium on interest payments of the Provincial Governments according to Table 175 was \$6,838,646.92. Assuming that the municipalities lost in exchange at about the same rate as the Provincial Governments, the estimated loss would be 38.13% of \$6,838,646.92 or \$2,608,000.

SUPPLEMENTARY STATISTICAL ANALYSIS OF RAIL AND OCEAN
FREIGHT RATES.

Tables 178–192, which follow, give in detail representative rail and ocean freight rates currently in force. The information contained in these Tables is summarized in the preceding section entitled "The Artificial and Arbitrary Costs of Transportation."

TABLE 178.

SELECTED COMMODITY RATES OF TRAFFIC MOVING WEST FROM
TORONTO TO VANCOUVER.

(Rates Lying Between the Mode and the Median—\$1.45 and \$1.55.)

Number of Articles under the Heading.	ARTICLE OR GROUP HEADING.	Railway Freight Rate per 100 lbs.	C.F.A. Tariff Item No.
2	Bags and Bagging.....	\$1.50	120
16	Canned Goods or Preserves.....	1.50	280
32	{ Hardware and Tools, anvils, etc. } Door Bolts and Hinges, etc. }	1.50	890A
6	Tacks, Nails, etc.	1.50	890
39	Structural Iron and Steel.....	1.50	1010
22	{ Roofing, Steel, etc. } Castings, Forgings, etc. } Belting and Chain, etc. } Wire Hoops and Nails, etc. }	1.50	1050A
5	Pipe Fittings and Connections.....	1.50	1050A
8	Fire Hydrants, Valves, etc.	1.50	1050A
6	Tablecloths, Napkins, etc.	1.60	1370
1	Fruit Pectin	1.50	1390
7	Stoneware and Earthenware.....	1.62	1480
4	Syrups and Extracts, etc.	1.50	1920
3	Tin Boxes and Pails, etc.	1.75	2010
2	Automobile Springs (iron).....	1.52	2190
7	Cotton and Woollen Waste.....	1.50	2220
3	Ale, Beer, and Porter.....	1.50	20
28	Asbestos Cement, Fibre, etc.	1.60	70A
6	Asbestos Roofing, etc.	1.60	70A
1	Anti-freezing Compound	1.50	490B
2	Fibre Conduits, etc.	1.58	2480
7	Furniture Frames	1.50	780
5	Barrels, Casks, etc.	1.50	140
3	Barrels, Drums, etc.	1.50	140
2	Wheelbarrows and Carts.....	1.73	2230
1	Chocolate Coating	1.70	420
5	Dessert Preparations	1.50	1920
9	Drugs, Soap, etc.	1.50	490B
1	Printers' Ink	1.50	990A
2	Cyanide of Potassium, etc.	1.50	2510

SOURCE: Canadian Freight Association Tariff No. 1-G.

TABLE 179.

SELECTED LESS-THAN-CARLOAD RATES ON TRAFFIC MOVING WEST
FROM TORONTO TO VANCOUVER.

(Rates Lying Between the Mode and the Median—\$3.49 and \$3.505.)

Number of Articles under the Heading.	ARTICLE OR GROUP HEADING.	Railway Freight Rate per 100 lbs.	C.F.A. Tariff Item No.
2	Asbestos Packing, Brake Lining.....	\$3.50	50
3	Belting (cotton, leather, rubber).....	3.50	150
4	Brooms, Brushes, Mops, Mop Heads.....	3.50	240
1	Tooth Brushes in Boxes.....	3.50	250
6	Cellulose Napkins, Towels, etc.....	3.50	340C
3	Underwear, cotton, woollen.....	3.50	400
3	Cocoa, Beans, and Chocolate.....	3.50	425
5	Confectionery.....	3.50	425
1	Hose, Metallic.....	3.50	970
50	Paper, loose-leaf, cigarette, writing, etc.....	3.50	1320B
6	Tires, solid rubber.....	3.50	1640
1	Rubber Cement.....	3.50	1660
4	Vehicle Parts; wheels, rims, drums.....	3.50	2170
2	Screens, door and window.....	3.50	2320
4	Carpets and carpeting.....	3.50	320
25	Clothing, cotton, etc.....	3.50	400
45	Drugs, Medicines, and Chemicals.....	3.50	490B
22	Dry Goods (wadding, pins, canvas).....	3.50	510
19	Dry Goods (laces, tape, blankets).....	3.50	520
8	Dry Goods (quilts, plush, spreads).....	3.50	540
1	Sheet Music in Boxes.....	3.50	1320A
2	Rubber-coated Fabric.....	3.50	1590
2	Wheels, iron or steel.....	3.50	2240
1	Leather.....	3.50	1150
4	Machinery Parts.....	3.50	1230
8	Rubber and Rubber Goods.....	3.50	1600

SOURCE: Canadian Freight Association Tariff No. 1-G.

TABLE 180.

COMMODITIES MOVING WEST FROM TORONTO TO VANCOUVER ON THE
L.C.L. RATE, \$3.50.

C.F.A. Tariff Item No.	COMMODITY.	Railway Freight Rate per 100 lbs.
50	Asbestos Packing }	\$3.50
	Brake Lining }	
150	Belting	3.50
	cotton	
	leather	
	rubber	
240	Brooms, Brushes, Mops.....	3.50
250	Tooth Brushes.....	3.50
425	Cocoa, Cocoa Beans, Chocolate.....	3.50
425	Confectionery.....	3.50
	ice cream cones	
	confectionery	
	chewing gum	
	almond paste	
	salted peanuts	
1320B	Paper and Articles of Paper	3.50
	adding machine	
	blank drawing	
	bond	
	books, blank	
	books, N.O.S.	

TABLE 180—Continued.

COMMODITIES MOVING WEST FROM TORONTO TO VANCOUVER ON THE
L.C.L. RATE, \$3.50—Continued.

C.F.A. Tariff Item No.	COMMODITY.	Railway Freight Rate per 100 lbs.
1320B	Paper and Articles of Paper—Continued. books, paper-bound books, school composition books, scrap books, stub file cardboard cards, cut, not printed check for cash registers cigarette tubes cigarette papers cloth-lined corrugated deadening displays, window envelopes fly or insect folder, filing gummed indented insulating labels ledger linen lining, carpet linings, bag or barrel lithographed book binding loose-leaf supplies, consisting of binders or covers, sheets, and metal parts lunch sets, napkins, and tablecloths matting, picture monotype mounts, photographic oil board papeteries periodicals, paper-bound post cards, souvenir printed matter, N.O.S. (except art calendars other than advertising calendars, holiday cards) strawboard, corrugated tablets tags, cloth or cloth-lined tags, paper tickets, sales or transfer waxed wrappers, coin writing, plain or ruled writing, manila	
1640	Tires, Solid Rubber, including Solid Rubber Tire Mounted on Steel Base.....	3.50
	tractor wheels wheel flanges wheel rims wheel rings wheel tires	
1660	Rubber Cement, in metal cans or tubes, or barrels or drums.....	3.50
2170	Wheels, Wooden, Disc, or Wire Rims, Passenger and Truck Rim Rings and parts Brake Drums	3.50
2320	Screens, door and window, crated or cleated	3.50
320	Carpet and Carpeting	3.50
	carpet, art carpeting carpets, made up (not exceeding \$150 per 100 lbs. value) mats or matting rugs (not exceeding \$150 per 100 lbs.)	

TABLE 180—Continued.

COMMODITIES MOVING WEST FROM TORONTO TO VANCOUVER ON THE
L.C.L. RATE, \$3.50—Continued.

C.F.A. Tariff Item No.	COMMODITY.	Railway Freight Rate per 100 lbs.
490B	Drugs, Medicines, and Chemicals	3.50
	acid, acetic	
	nitrate of ammonia	
	balsam, fir	
	bitters	
	camphor	
	precipitated chalk	
	chemicals	
	cigarettes, tubes	
	butter colour	
	chocolate colour	
	anti-freezing compounds	
	confections, licorice	
	absorbent cotton	
	vanilla crystals	
	surgical dressings	
	drugs	
	dyes (packed in cabinets)	
	dyes stuffs	
	embalming fluid	
	flavouring extracts	
	medicinal extracts	
	prepared baby food	
	glycerine, other than crude	
	gum arabic	
	lavender leaves	
	licorice	
	medicinal supplies	
	medicines	
	malted milk	
	sugar of milk	
	milking	
	sanitary napkins	
	fusel oil	
	petrolatum or petrolatum preparations made of petroleum	
	medicinal plasters	
	surgical plasters	
	bath salts	
	smoke (condensed in bottles)	
	soap, toilet	
	sulphite of sodium	
	toilet preparations	
	blue vitriol	
	witch hazel	
	wood pulp cellulose	
1320	Sheet Music, in boxes	3.50
1600	Rubber and Rubber Goods	3.50
	hose, rubber, cotton, or canvas, or rubber and cotton or canvas combined (without nozzles, couplings, or with nozzles or couplings attached)	
	belting, rubber	
	packing, rubber	
	mats or matting, rubber	
2240	Wheels, iron or steel, with solid or pneumatic rubber tires	3.50

SOURCE: Canadian Freight Association, Tariff 1-G.

TABLE 181.

SELECTED COMMODITY RATES ON TRAFFIC MOVING EAST FROM
VANCOUVER TO TORONTO.

(Rates Lying Between the Mode and the Median—\$.975 and \$1.188.)

Number of Articles under the Heading.	ARTICLE OR GROUP HEADING.	Railway Freight Rate per 100 lbs.	C.F.A. Tariff Item No.
2	Baskets and Shooks.....	\$0.99	30
3	Battery Separators and Material .....	.99	40
1	Canned Fish.....	1.05	220
2	Wire Rope.....	1.00	470
12	Canned Goods.....	1.05	80-G
1	Glycerine, crude.....	1.00	230-A
1	Handles, mop and broom.....	1.055	240-B
1	Wood, built-up.....	.975	580-C

SOURCE: Canadian Freight Association Tariff, No. 101-E.

TABLE 182.

SEVERAL L.C.L. RATES ON TRAFFIC MOVING EAST FROM
VANCOUVER TO TORONTO.

(Rates Lying Between \$3.54 and \$3.57.)

Number of Articles under the Heading.	ARTICLE OR GROUP HEADING.	Railway Freight Rate per 100 lbs.	C.F.A. Tariff Unit No.
1	Bitters, medicine.....	\$3.545	60
1	Post Cards, souvenir.....	3.545	390

SOURCE: Canadian Freight Association Tariff, No. 101-E.

IMPORTS OF REVENUE FREIGHT FROM EASTERN CANADA INTO
BRITISH COLUMBIA.

Table 183 contains selected abstracts from the Dominion Bureau of Statistics' publications "Summary of Monthly Railway Traffic Reports." The commodities listed are known or assumed to be the produce of Eastern Canada. The figures shown in the column "Net Import or Export" are computed by subtracting the figures in Column 1 from Column 2. In this way no complications arise from traffic destined to or received from foreign connections, and local traffic is automatically eliminated, since the same amount would appear in Columns 1 and 2. No practicable method could be established to correct for cases where British Columbia exported L.C.L. Merchandise or other supposedly Eastern Canadian products, so that the net imports tend to be minimum figures. In some cases there may have been imports from Winnipeg or other Prairie centres falling in these particular classifications, in which case the imports from Eastern Canada would tend to be excessive. It is considered, however, that the net import figures are representative to a large degree of the actual volume of imports from Eastern Canada.

TABLE 183.
REVENUE FREIGHT CARRIED BY CANADIAN RAILWAYS, 1928-1936.
(In tons.)

Commodity.	Year.	Loaded at Stations in British Columbia. (Col. 1.)	RECEIVED FROM FOREIGN CONNEC- TIONS DESTINED TO		Total.	FREIGHT TERMINATED.		Net Import.
			Canadian Points.	Foreign Points.		Unloaded at Sta- tions in British Columbia. (Col. 2.)	Delivered to Foreign Conne- ctions.	
Iron and Steel—bar, sheet, structural, pipe	1928	9,099	4,067	54	14,120	21,724	1,638	11,725
	1929	13,039	6,085	52	19,176	23,470	811	10,431
	1930	14,251	8,709	404	23,364	32,244	883	17,993
	1931	7,342	2,197	121	9,660	20,764	955	13,422
	1932	3,305	2,527	-----	5,832	8,653	314	5,348
	1933	2,259	964	-----	3,223	8,263	722	6,004
	1934	4,077	803	5	4,885	18,551	789	14,474
	1935	5,624	1,332	-----	6,956	22,944	738	17,320
	1936	7,965	3,810	423	12,198	30,750	1,996	22,875
Castings, Machinery, and Boilers	1928	9,821	4,752	31	14,604	24,315	2,692	14,494
	1929	12,306	5,462	257	18,025	27,142	3,779	14,836
	1930	9,437	5,578	41	15,056	19,291	1,969	9,854
	1931	6,094	1,766	124	7,984	14,276	1,083	8,182
	1932	3,491	482	-----	3,973	6,106	746	2,615
	1933	3,445	342	-----	3,787	4,402	646	957
	1934	3,348	740	110	4,198	5,470	750	2,122
	1935	3,674	1,828	132	5,634	6,257	552	2,583
	1936	4,733	1,757	450	6,940	7,888	1,000	3,155
Agricultural Implements and Vehicles other than Automobiles	1928	1,190	2,619	72	3,881	3,542	1,384	2,352
	1929	1,532	1,133	40	2,705	3,767	1,655	2,235
	1930	1,519	280	-----	1,799	2,254	887	735
	1931	671	190	12	873	1,466	318	795
	1932	657	57	-----	714	566	382	(1) 91
	1933	238	12	37	287	343	170	105
	1934	712	472	-----	1,184	1,508	473	796
	1935	857	448	-----	1,305	1,940	863	1,083
	1936	1,097	1,272	15	2,384	3,469	2,159	2,372
Automobiles, Auto Trucks, and Auto Parts	1928	1,052	2,619	55	3,726	17,511	6,126	16,459
	1929	1,236	2,529	97	3,862	21,204	7,635	19,968
	1930	1,037	816	114	1,967	13,213	2,511	12,176
	1931	393	522	5	920	8,077	2,355	7,684
	1932	473	322	-----	795	4,661	3,804	4,188
	1933	135	378	-----	513	5,299	3,214	5,164
	1934	505	933	120	1,558	9,868	7,440	9,363
	1935	956	936	257	2,149	14,599	9,449	13,643
	1936	1,011	1,182	222	2,415	15,203	6,441	14,192
Furniture	1928	656	272	-----	928	5,612	32	4,956
	1929	865	577	-----	1,442	5,791	112	4,926
	1930	452	541	-----	993	4,787	66	4,335
	1931	529	45	-----	574	3,549	129	3,020
	1932	352	581	133	1,066	2,259	70	1,907
	1933	342	81	11	434	1,076	40	734
	1934	534	114	29	677	1,671	45	1,137
	1935	854	92	61	1,007	2,035	35	1,181
	1936	1,091	183	-----	1,274	2,415	28	1,324
Other Manufactures and Miscellaneous	1928	99,802	27,971	9,490	137,263	130,654	33,272	30,852
	1929	106,370	30,759	8,889	146,018	134,693	32,933	28,323
	1930	86,882	30,695	7,637	125,214	114,324	17,130	27,442
	1931	77,363	23,698	5,341	106,402	111,895	9,846	34,532
	1932	56,397	19,046	4,877	80,320	68,258	6,693	11,861
	1933	47,619	15,833	3,833	67,033	62,194	23,792	14,575
	1934	87,098	20,713	5,655	113,466	92,001	14,699	4,903
	1935	98,923	23,174	5,263	127,360	108,230	18,698	9,307
	1936	112,944	31,455	10,193	154,592	137,242	36,332	24,298

TABLE 183—*Continued.*
REVENUE FREIGHT CARRIED BY CANADIAN RAILWAYS, 1928-1936—
Continued.
(In tons.)

Commodity.	Year.	Loaded at Stations in British Columbia. (Col. 1.)	RECEIVED FROM FOREIGN CONNEC- TIONS DESTINED TO		Total.	FREIGHT TERMINATED.		Net Import.
			Canadian Points.	Foreign Points.		Unloaded at Sta- tions in British Columbia. (Col. 2.)	Delivered to Foreign Conne- ctions.	
Merchandise (all L.C.L.) ...	1928	117,978	9,080	4,109	131,167	163,534	6,686	45,556
	1929	120,898	10,151	4,081	135,130	166,391	8,196	45,493
	1930	114,171	8,775	2,642	125,588	143,862	3,046	29,691
	1931	101,286	8,075	2,710	112,071	113,377	3,671	12,091
	1932	85,347	5,947	2,316	93,610	95,939	3,519	10,592
	1933	109,099	5,293	2,190	116,582	132,617	2,493	23,518
	1934	107,265	5,560	4,289	117,114	120,143	2,749	12,878
	1935	83,008	5,813	4,640	93,461	102,976	2,275	19,968
	1936	79,406	8,194	6,495	94,095	95,388	3,468	15,982
Total of Above	1928	239,598	51,380	13,811	305,689	366,892	51,830	126,394
	1929	256,246	56,696	13,416	326,358	382,458	55,121	126,212
	1930	227,749	55,394	10,838	293,981	329,975	26,492	102,226
	1931	193,678	36,403	8,313	238,484	273,404	18,357	79,726
	1932	155,820	27,010	7,326	190,156	192,439	15,244	36,420
	1933	163,137	22,903	5,819	191,851	214,194	31,077	51,057
	1934	203,539	29,335	10,203	243,082	249,212	26,945	45,673
	1935	193,896	33,623	10,353	237,872	258,981	32,610	65,085
	1936	208,247	47,853	17,798	273,298	292,355	51,424	84,108

(1) Export figure.

SOURCE: Canada, Dominion Bureau of Statistics, "Summary of Monthly Railway Traffic Reports," 1930-1936.

EXPORTS OF REVENUE FREIGHT FROM BRITISH COLUMBIA TO EASTERN CANADA AND THE PRAIRIES.

Table 184 indicates the procedure followed in segregating British Columbia's net rail exports between destinations in Eastern Canada and the Prairies. For instance, the first item, fresh apples, is a definite British Columbia export; the Prairies do not produce and export apples in any quantity. The actual net export from the four Western Provinces is shown to be 31,996 tons by the Dominion Bureau of Statistics' analysis;²² assuming all of this export originated in British Columbia there is, therefore, a balance of 54,701 tons (86,697 less 31,996) to segregate between Prairie points and exports to the United States through Prairie points. From the Dominion Bureau's statement this segregation was computed to be:

45,576 tons to Prairies

9,125 tons exported through Prairie points

54,701 tons

In the same way, all of the exports shown in Table 147 were computed. Table 184 merely lists the first three items, only one of which (apples) could definitely be applied to Eastern Canada. In certain cases the method proved to be inadequate. For instance, in the case of canned goods, both British Columbia and Eastern Canada ship quantities of canned goods to the Prairies. The Prairies have, therefore, a net import of canned goods. By the method of analysis used the results must show British Columbia's rail exports going to the Prairies, although certain canned commodities presumably move to Eastern Canada. However, this method of segregation was the only practical course under the circumstances.

(22) "Summary of Monthly Railway Traffic Reports," 1930-1931.

TABLE 184.

METHOD OF ESTIMATING PRINCIPAL RAIL EXPORTS FROM BRITISH COLUMBIA
TO THE PRAIRIES AND TO EASTERN CANADA—REVENUE FREIGHT, 1928–
1936.^(a)

(In tons.)

Commodity.	Year.	Net Export from British Columbia.	Net Export from Prairies and British Columbia.	PROBABLE NET EXPORTS FROM BRITISH COLUMBIA.	
				To Prairies.	To Eastern Canada.
Apples, fresh	1928	86,697	34,866	45,576	31,996
	1929	75,939	29,631	44,343	27,324
	1930	84,890	43,037	38,062	42,987
	1931	70,845	21,030	46,539	19,071
	1932	97,000	50,971	43,817	35,310
	1933	99,077	57,166	40,892	42,209
	1934	112,238	61,101	50,259	43,742
	1935	104,047	60,920	42,399	34,673
	1936	90,888	47,217	17,026	37,882
Other Fruit, fresh	1928	9,918	—	9,918	(?)
	1929	2,053	—	2,053	(?)
	1930	4,499	—	4,499	(?)
	1931	—	—	—	—
	1932	7,463	—	7,463	(?)
	1933	10,065	—	10,065	(?)
	1934	17,704	—	17,704	(?)
	1935	9,075	—	9,075	(?)
	1936	—	—	—	—
Potatoes	1928	5,422	3,294	5,422	(?)
	1929	3,708	—	3,708	(?)
	1930	935	—	935	—
	1931	516	1,776	516	—
	1932	1,050	1,083	1,050	(?)
	1933	2,358	1,697	2,358	(?)
	1934	2,049	3,362	2,049	(?)
	1935	3,433	1,900	3,433	(?)
	1936	4,958	11,482	3,220	—

(a) Compiled by analysing the statistics prepared by the Dominion Bureau of Statistics, "Summary of Monthly Railway Traffic Reports," 1930–1936, except in case of bituminous coal, when "Coal Statistics for Canada" prepared by the same bureau was utilized.

TABLE 185.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" RATES ON TRAFFIC MOVING WEST FROM TORONTO TO VANCOUVER.

Rates (in Dollars per 100 lbs.).	Mid-point, "M."	Frequency, "F."	"F × M."	Computations.
.35- .599	.475	1	.475	Mode = <u>\$1.475</u>
.60- .849	.725	18	13.050	Median :
.85-1.099	.975	35	34.125	$Md = \frac{\Sigma(f)}{2} = \frac{234}{2} = 117$
1.10-1.345	1.225	28	34.300	$= 1.35 + (35/44 \times .25)$
1.35-1.599	1.475	44	64.900	$= 1.35 + .199$
1.60-1.849	1.725	24	41.400	$= \underline{\$1.549}$
1.85-2.099	1.975	37	73.075	Arithmetic Mean :
2.10-2.345	2.225	13	28.925	$M = \frac{\Sigma(fm)}{f} = \frac{395.15}{234}$
2.35-2.599	2.475	11	27.225	$= \underline{\$1.689}$
2.60-2.849	2.725	5	13.625	Mode = <u>\$1.475</u>
2.85-3.099	2.975	6	17.850	Median = <u>\$1.549</u>
3.10-3.349	3.225	2	6.450	Arithmetic Mean = <u>\$1.689</u>
3.35-3.599	3.475	5	17.375	
3.60-3.849	3.725	---	---	
3.85-4.099	3.975	1	3.975	
4.10-4.349	4.225	1	4.225	
4.35-4.599	4.475	---	---	
4.60-4.849	4.725	3	14.175	
Totals	---	234	395.150	

SOURCE: Canadian Freight Association, Tariff No. 1-G.

TABLE 186.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" "L.C.L." RATES ON TRAFFIC MOVING WEST FROM TORONTO TO VANCOUVER.

Class Interval, 25c. (Rates in Dollars per 100 lbs.)	Mid-point, "M."	Frequency, "F."	"F × M."	Computations.
2.38-2.629	2.505	7	17.535	Mode = <u>\$3.505</u>
2.63-2.879	2.755	5	13.775	
2.88-3.129	3.005	35	105.175	
3.13-3.379	3.255	7	22.785	
3.38-3.629	3.505	41	143.705	
3.63-3.879	3.755	---	---	Median : $\frac{\Sigma(f)}{2} = \frac{146}{2} = 73$
3.88-4.129	4.005	11	44.055	
4.13-4.379	4.255	---	---	
4.38-4.629	4.505	12	54.060	
4.63-4.879	4.755	---	---	
4.88-5.129	5.005	8	40.040	Md = $3.38 + \frac{(19 \times 25)}{41}$ = 3.38. + 116 = <u>\$3.496</u>
5.13-5.379	5.255	---	---	
5.38-5.629	5.505	7	38.535	
5.63-5.879	5.755	---	---	
5.88-6.129	6.005	9	54.045	
6.13-6.379	6.255	1	6.255	Arithmetic Mean : $\frac{\Sigma(fm)}{f} = \frac{566.48}{146}$ = <u>\$3,880</u>
6.38-6.629	6.505	---	---	
6.63-6.879	6.755	---	---	
6.88-7.129	7.005	---	---	
7.13-7.379	7.255	---	---	
7.38-7.629	7.505	---	---	Mode = <u>\$3.505</u>
7.63-7.879	7.755	---	---	
7.88-8.129	8.005	1	8.005	
8.13-8.379	8.255	1	8.255	
8.38-8.629	8.505	---	---	
8.63-8.879	8.755	---	---	Median = <u>\$3.496</u>
8.88-9.129	9.005	---	---	
9.13-9.379	9.255	---	---	
9.38-9.629	9.505	---	---	
9.63-9.879	9.755	---	---	
9.88-10.129	10.005	---	---	Arithmetic Mean = <u>\$3.880</u>
10.13-10.379	10.255	1	10.255	
Totals	-----	146	566.480	

SOURCE: Canadian Freight Association, Tariff No. 1-G.

TABLE 187.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" RATES ON TRAFFIC MOVING EAST FROM VANCOUVER TO TORONTO.

Rates (in Dollars per 100 lbs.).	Mid-point, "M."	Frequency, "F."	"F × M."	Computations.
.35- .599 .....	.475	---	---	Mode= <u>\$.975</u>
.60- .849 .....	.725	13	9.425	Median :
.85-1.099 .....	.975	16	15.600	$Md = \frac{\Sigma(f)}{2} = 32.5$
1.10-1.349	1.225	10	12.250	$= 1.10 + \frac{(35 \times .25)}{10}$
1.35-1.599	1.475	11	16.225	$= 1.10 + .0875$
1.60-1.849	1.725	4	6.900	$= \underline{\$1.1875}$
1.85-2.099	1.975	5	9.875	Arithmetic Mean :
2.10-2.349	2.225	3	6.675	$M = \frac{\Sigma(fm)}{f} = \frac{84.625}{65}$
2.35-2.599	2.475	2	4.950	$= \underline{\$1.302}$
2.60-2.849	2.725	1	2.725	Mode= <u>\$.975</u>
				Median= <u>\$1.188</u>
Totals	---	65	84.625	Arithmetic Mean = <u>\$1.302</u>

SOURCE: Canadian Freight Association, Tariff No. 101-E.

TABLE 188.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF RAILWAY FREIGHT "COMMODITY" "L.C.L." RATES ON TRAFFIC MOVING EAST FROM VANCOUVER TO TORONTO.

Class Interval, 25c. (Rates in Dollars per 100 lbs.)	Mid-point, "M."	Frequency, "F."	"F × M."	Computations.
2.92-3.169	3.045	1	3.045	Mode= <u>\$3.545</u>
3.17-3.419	3.295	1	3.295	Median = $\frac{\Sigma(f)}{2} = 11/2 = 5.5$
3.42-3.669	3.545	6	21.270	$Md = 3.42 + (3.5/6 \times .25)$
3.67-3.919	3.795	1	3.795	$= 3.42 + .152$
3.92-4.169	4.045	---	---	$= \underline{\$3.572}$
4.17-4.419	4.295	2	8.590	Arithmetic Mean :
				$\frac{\Sigma(fm)}{f} = \frac{39.995}{11} = \underline{\$3.636}$
				Mode= <u>\$3.545</u>
				Median= <u>\$3.572</u>
Totals	---	11	39.995	Arithmetic Mean = <u>\$3.636</u>

SOURCE: Canadian Freight Association, Tariff No. 101-E.

TABLE 189.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" CARLOAD RATES ON TRAFFIC MOVING WEST FROM MONTREAL AND QUEBEC CITY TO VICTORIA AND VANCOUVER.

Class Interval. (Rates in Dollars per 100 lbs.)	Mid-point, "M."	Frequency, "F."	"d" in Class Interval Units.	fd'		Computations.
				-	+	
.175-.324925	1	-4	4	---	Arithmetic Mean : $M' = .85$ $\Sigma fd' = -92$ $c = \frac{-92 \times .15}{101}$ $= -.13663$ $M = M' + c$ $M = .85 - .13663$ $= .71337$
.325-.4749 .....	.40	22	-3	66	---
.475-.6249 .....	.55	25	-2	50	---
.625-.7749 .....	.70	14	-1	14	---
.775-.9249 .....	.85	14	---	---	---
.925-1.0749	1.00	18	1	---	18	Median : $\frac{N}{2} = \frac{101}{2} = 50.5$ $Md = .625 + \frac{(2.5 \times 15)}{(14)}$ $= .625 + .026785$ $= .6518$
1.075-1.2249	1.15	2	2	---	4	
1.225-1.3749	1.30	2	3	---	6	
1.375-1.5249	1.45	1	4	---	4	Mode : $Mo = .55$ Mode = \$.55
1.525-1.6749	1.60	2	5	---	10	
Totals	---	101	---	-134	+42	Median = \$.6518 Arithmetic Mean = \$.71

SOURCE: Vancouver-St. Lawrence Line, Inter-coastal Tariff No. 2.

TABLE 190.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" CARLOAD RATES ON TRAFFIC MOVING EAST FROM VANCOUVER TO MONTREAL.

Class Interval. (Rates in Dollars per 100 lbs.)	Mid-point, "M."	Frequency, "F."	"d" in Class Interval Units.	fd'		Computations.
				—	+	
.30-.499 .....	.40	8	—2	16	---	Arithmetic Mean :
						$M' = .80$
						$\Sigma fd' = -5$
.50-.699 .....	.60	15	—1	15	---	$c = \frac{-5(.20)}{45}$
						$= -.0222$
.70-.899 .....	.80	7	---	---	---	$M = M' + c$
						$M = .80 - .0222$
						$= .778$
.90-1.099	1.00	8	1	---	8	Median :
						$\frac{N}{2} = \frac{45}{2} = 22.5$
1.10-1.299	1.20	4	2	---	8	$Md = .50 + \frac{(14.5 \times .20)}{(15)}$
						$= .50 + .1933$
1.30-1.499	1.40	2	3	---	6	$= .6933$
						Mode :
1.50-1.699	1.60	1	4	---	4	$Mo = .60$
						Mode = <u>\$.60</u>
1.70-1.899	1.80	---	5	---	---	Median = <u>\$.69</u>
						Arithmetic = <u>\$.778</u>
Totals	---	45	---	—31	+26	

SOURCE: Vancouver-St. Lawrence Line, Eastbound Tariff No. 2.

TABLE 191.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" LESS-THAN-CARLOAD RATES ON TRAFFIC MOVING WEST FROM MONTREAL TO VANCOUVER.

Class Interval. (Rates in Dollars per 100 lbs.)	Mid-point, "M."	Frequency, "F."	"d" in Class Interval Units.	fd'		Computations.
				—	+	
.375-.6249 .....	.50	5	—3	15	-----	Arithmetic Mean :
.625-.8749 .....	.75	11	—2	22	-----	$M' = 1.25$
.875-1.1249	1.00	24	—1	24	-----	$\Sigma fd' = -14$
1.125-1.3749	1.25	15	-----	-----	-----	$c = \frac{-14}{85} \times .25$
1.375-1.6249	1.50	21	1	-----	21	$= -.041$
1.625-1.8749	1.75	4	2	-----	8	$M = M' + c$
1.875-2.1249	2.00	2	3	-----	6	$M = 1.25 - .041$
2.125-2.3749	2.25	3	4	-----	12	$= \underline{1.21}$
Totals	-----	85	-----	—61	+47	Median :
						$\frac{N}{2} = \frac{85}{2} = 42.5$
						$Md = 1.125 + \frac{(2.5 \times .25)}{15}$
						$= 1.125 + .042$
						$= \underline{1.167}$
						Mode = <u>1.00</u>
						Mode = <u>\$1.00</u>
						Median = <u>\$1.167</u>
						Arithmetic Mean = <u>\$1.21</u>

SOURCE: Vancouver-St. Lawrence Line, Inter-coastal Tariff No. 2.

TABLE 192.

COMPUTATION OF THE MODE, MEDIAN, AND ARITHMETIC MEAN FOR THE DISTRIBUTION OF OCEAN FREIGHT "COMMODITY" LESS-THAN-CARLOAD RATES ON TRAFFIC MOVING EAST FROM VANCOUVER TO MONTREAL.

Class Interval. (Rates in Dollars per 100 lbs.)	Mid-point, "M."	Frequency, "F."	"d" in Class Interval Units.	fd'		Computations.
				—	+	
.375-.6249 .....	.50	---	---	---	---	Arithmetic Mean :
						$M' = 1.00$
						$\Sigma fd' = 4$
.625-.8749 .....	.75	10	—1	10	---	$c = \frac{4}{22} \times .25$
						$= .045$
.875-1.1249	1.00	6	---	---	---	$M = M' + c$
						$M = 1.00 + .045$
						$= 1.045$
1.125-1.3749	1.25	2	1	---	2	Median :
						$\frac{N}{2} = \frac{22}{2} = 11$
1.375-1.6249	1.50	2	2	---	4	$Md = .875 + (1/6 \times .25)$
						$= .875 + .042$
						$= .9170$
1.625-1.8749	1.75	1	3	---	3	Mode = <u>.75</u>
1.875-2.1249	2.00	---	4	---	---	Mode = <u>\$.75</u>
2.125-2.3749	2.25	1	5	---	5	Median = <u>\$.917</u>
						Arithmetic Mean = <u>\$1.045</u>
Totals	---	22	---	—10	+14	

SOURCE: Vancouver-St. Lawrence Line, Eastbound Tariff No. 2.

BRITISH COLUMBIA IN THE CANADIAN CONFEDERATION

PART VII.

RECOMMENDATIONS

PRESENTED BY

HON. T. D. PATTULLO, K.C., LL.D.

PREMIER

PART VII.

RECOMMENDATIONS.

Mr. Chairman:

I would like to summarize the suggestions of British Columbia with regard to the subject-matter of the investigations of your Commission, and to indicate the desirability of improving old and establishing new relationships as between the jurisdictions and administrations of the Provinces and the Dominion.

1. Power should rest in the Parliament of Canada to amend the British North America Act upon a basis to be agreed between the Provinces and the Dominion.

2. The special position of British Columbia in the Confederation of Canada should receive immediate consideration and the terms upon which British Columbia entered into Confederation adjusted in order that British Columbia may be in a position of equality with the other Provinces of Canada when considering new adjustments and relationships in Dominion and Provincial authority.

3. Each Province should have the right of review of its position in Confederation quinquennially in order that no Province shall be placed in disadvantageous position in relation to the Dominion as a whole by reason of conditions over which it has no control.

4. Inequalities and disabilities existing by reason of the application of the tariff and freight rates should be adjusted.

5. British Columbia first imposed an Income Tax in 1876, and is dependent in very considerable measure upon this source of revenue. The entrance of Canada into the Income Tax field definitely limited this source of revenue to British Columbia, and has placed the Province in very embarrassing position.

In order to meet all charges without recourse to borrowing from the Dominion, it is necessary to increase Provincial Income Taxes; yet to do so would, together with Dominion Income Taxes, place a too heavy burden upon our people.

At the time of the imposition of the Dominion Income Tax, protest was made by the then Government of British Columbia. The present Government of British Columbia has for several years deferred increasing the Income Tax while constantly pressing for the appointment of a Royal Commission such as your honourable body. This deference of increase in the Provincial Income Tax forced this Province to borrow from the Dominion, so that the situation now is that the Dominion, through invasion of the Income Tax field, placed this Province in the position where

it must borrow money from the Dominion in order to meet immediate charges including unemployment relief, and interest is now being paid on these borrowings. This situation cannot continue indefinitely. It is imperative that there shall be a readjustment and that the advantageous position which British Columbia occupied be restored.

6. The Provinces should be granted authority to raise their own revenues by whatever means deemed necessary in the light of circumstances and requirements. This, if carried out, would place beyond question all taxes as now levied and would authorize the imposition of other taxes, such, for example, as the business turnover tax or the retail sales tax.

7. It is further suggested that the debt structure of the various Provinces should be reviewed so that conclusions may be reached which, while beneficial to all governments, will not tend to weaken credit positions or the confidence of investors.

8. Full responsibility should rest upon the Dominion for the costs of Old-age Pensions and Mothers' Allowances.

9. The Dominion should exercise exclusive jurisdiction over Unemployment Insurance, but it is suggested that before any measure is submitted to the Dominion Parliament, the text thereof be submitted to the Provinces in order that they may have opportunity to make such representations as may be deemed advisable.

10. Authority should be granted to the Dominion to enact legislation to regulate wages, hours of work, and conditions of labour, but, in the absence of Dominion legislation, nothing should limit the present authority of the Provinces, nor with the enactment of Dominion legislation, the authority of the Provinces to enact legislation to regulate wages at higher standards and hours of work on shorter basis, as well as supplementary measures concerning conditions of labour.

11. The Dominion and the Provinces should co-operate more fully in matters of education. In Vocational Training, primary financial responsibility should rest with the Dominion. The Dominion might also develop a Bureau of Education to render generalized services in research, statistics, educational surveys, and so forth, to establish a more uniform system throughout Canada, to be applied or otherwise as each Province may determine.

12. The Dominion and the Provinces should co-operate more fully in the matter of health and welfare services. Primary responsibility for these services (apart from unemployment relief) should remain with the Provinces, but the Dominion should assume a general obligation to assist the Provinces in the performance of these functions. In particular, the Dominion should perform technical services such as research, statistics, publicity, and planning of general value, and to give grants-in-aid to support significant services.

13. The Dominion should take the lead in obtaining uniform residence rules for every Province in Canada, and should assume full responsibility for health and welfare services to those persons who do not have residence qualifications in any one Province in accordance with rules established.

14. Full responsibility should rest upon the Dominion for unemployment relief, but it is thought that the Provincial services, by agreement, could be used to advantage.

15. In connection with unemployment relief many public works of necessitous nature could be undertaken to meet public requirements. This would provide immediate work for many thousands.

16. The Dominion should share equally with the Province the cost of all Trans-Canada Highways, as well as primary feeders. Roads leading to National Parks should be the sole responsibility of the Dominion.

17. The policy of assistance by the Dominion in the matter of the construction of roads to encourage development of the mining industry has been very beneficial and should be continued as a permanent policy.

Work of the Geological Survey of Canada in British Columbia under provision of the B.N.A. Act has been of great value to our mining industry. This work should be continued more aggressively, with a minimum of not less than twelve full geological parties per annum in this Province.

18. While it is maintained that a moral obligation rests on the Canadian National Railways to absorb the Pacific Great Eastern Railway within its system, it is suggested that the two national railways should absorb this system, by agreement.

19. The financial position of the Municipalities is of major importance and any conclusions reached respecting sources of provincial revenue must take into consideration provision for enabling the Municipalities adequately to function within the measure of their jurisdiction.

20. Oriental immigration into Canada should be prohibited upon grounds of ethnological differences of race, and as many Orientals as possible should be returned to the land from which they came.

21. While it is felt that the Dominion should assume full responsibility for the Doukhobor problem, our Province suggests co-operation upon a basis of joint responsibility.

22. It is suggested that the inspection of fruits, vegetables, honey, and bulbs for both domestic and export sale should be entirely under Federal jurisdiction.

23. Supervision of the disposal of elevator grain screenings, either whole or crushed, should be a Federal responsibility. The Provincial Department should report to the Federal Department on the suitability of the feed lots of farmers who may apply for screenings for livestock feeding.

24. In order effectively to control the marketing of commodities produced within their respective boundaries, the Provinces should be given

complete control of the packing, storing, and transporting within their boundaries of commodities intended for Interprovincial trade.

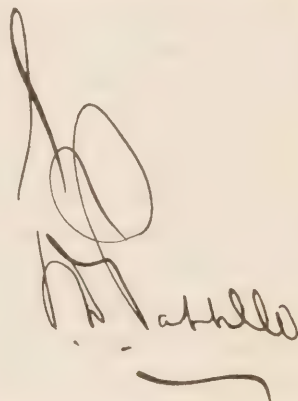
25. The authority of the Dominion with regard to bankruptcy laws should be restated.

Under a decision of the Privy Council with regard to the "Farmers' Creditors Arrangement Act," the Dominion has set up a body which can not only review contracts as between individuals, but can review contracts of the Crown in right of the Province. Provincial laws exist in which provision is made for the basis upon which Crown resources may be alienated. A body set up in this Province by the Dominion is exercising authority to alter the terms of contracts made between the Crown in right of the Province and private individuals, and to impose new terms. It is an anomalous situation that a contract between the Crown in right of the Province and a farmer, entered into under Provincial legislation, can be altered by a body appointed by the Dominion Government.

26. Jurisdictions now in doubt should be placed beyond question so far as language may be able to attain this end.

While there are other matters of much importance, they are questions of policy as between the Dominion Government and this Province, rather than subject-matter for consideration by your Royal Commission.

I feel assured that if the Provinces and the Dominion approach the outstanding issues in a spirit of mutual good-will and a determination effectively to meet the problems confronting us, results will be of lasting benefit to all the Provinces of the Dominion and to Canada as a whole.

A handwritten signature in dark ink, appearing to read "H. H. Ball", with a long horizontal flourish underneath.

Premier, British Columbia.

VICTORIA, B.C. :

Printed by CHARLES F. BANFIELD, Printer to the King's Most Excellent Majesty.
1938.

INDEX.

	PAGE.
Agriculture—	
Agricultural Communities, Permanence of	51, 52
Character of, in British Columbia	51
Exports	51
Production	37, 51
Relief, Farmers on	51
“Agricultural Aid Act”	155, 156
“Agricultural Instruction Act”	156
Alberta, Province of, Immigration of Transients from	133
Asylums. <i>See</i> Mental Hospitals.	
Blind, Industries for Adults	106
“Borough Ordinance Act,” 1865	202, 213
British Columbia, Colony of—	
Expenditures	11
Foundation of	4
Public Debt	11, 12, 19
Revenue	10
“British North America Act”	131, 141, 142, 155
“British North America Amendment Act,” 1907	17
Carnarvon Award, Non-fulfilment of Terms by Dominion	10, 18
Children, Neglected	107
“Claims of British Columbia for Better Terms, 1914”	10
Confederation—	
Australia	14
British Columbia—	
Delegations	4, 12, 13, 14, 17
Political isolation	18
Compromise Nature of Settlement	3, 21
Financial Terms	3-7, 10, 16, 22
Conference of, 1906	16
Conference on taxation, 1924	20
Lands conveyed under settlement	4, 18, 21, 22
McBride, Sir Richard	10, 14, 16, 17
Special Consideration, British Columbia Claims	22, 23
Confederation Settlement Revisions—	
Adjustments of Subsidies, 1873	7
British North America Amendment Act	17
Carnarvon Award	10, 18
Claims for Adjustment, 1927	20
Representations of British Columbia, 1934-36	21
Royal Commission, Agreement to Appoint	17
“Settlement Act, 1884”	9, 10, 18
Special Claims of British Columbia, 1906	16
Special Difficulties of British Columbia	13, 14
Council of Public Instruction	145, 147, 150, 151
Customs Duties	182, 185, 186, 187
Administration given to Dominion	5
Basis of subsidy	4, 21
Collections in British Columbia	12, 13, 23
Debt—	
Colony of British Columbia	11, 12
Monetary policy of Canada, and	327
Municipal—	
Increase in debt-contracting powers	212
Indebtedness related to real estate values	212
Liabilities	212, 255
Money by-laws supervised	212

Debt—*Continued.*

	PAGE.
Municipal— <i>Continued.</i>	
Sinking funds	212
Statutory provisions governing	210, 211, 212
Provincial	3, 5, 7, 8, 9, 21, 22
Capital improvements financed out of current revenue	195
Deficits, analysed	177, 178, 199, 200
Fixed charges	193, 194, 195
Liabilities, contingent	191
Pacific Great Eastern Railroad Company guarantee	190
Present composition of	189, 190
Purpose of borrowings	195, 196, 197, 199
Sinking funds	190, 195
Dominion Government—	
Expenditures in British Columbia	13, 19
Invasion of direct taxation field	20
Loans to British Columbia	8
Mental hospitals, payments to	91
Old age pensions	100, 101, 102, 103
Responsibility for old age pensions	103
Revenue from British Columbia	12, 19, 23
Revenue from customs duties in British Columbia	4, 5, 12, 13, 19, 20, 21, 23
Subsidies	3, 4, 6, 7, 9, 16, 18, 21, 22, 23
Taxation powers	141
Transiency regulations	125
Unemployment	124
Unemployment insurance	125
Dominion Grants in Aid—	
Agricultural education	155, 156, 157
Education	157-160
Employment offices	126
Technical education	158-160
Unemployment relief	107-117, 119-121, 123
Venereal disease	94, 95, 96
Doukhobours, community school districts	145
Dunsmuir, Hon. James	12
Education—	
Administrative Control, decentralization of	150
B.N.A. Act	155
City municipality school districts	145
Commission on School Finance, Financial Recommendations of	148, 149, 154
Community School Districts	145, 150
Correspondence Courses—	
Average cost	151
Eligibility	151, 152
Enrolment in	153
Fees for	152
Inauguration of	151
Council of Public Instruction	145, 147, 150, 151
District Municipality School Districts	145, 148, 149
Dominion Grants in Aid	155-160
Enrolment	142
Financial Responsibility, decentralization of	143, 144, 147, 148
Financing of	143, 144, 149, 154, 155
Growth of the Provincial System	142, 143
Health Inspection	150, 151
Incidence of costs of	154
Model School	151
Municipal School Districts	145

Education— <i>Continued.</i>	PAGE.
Normal Schools	151
Official Trustees	145, 150
Provincial aids to School Districts	145, 146
Rural School Districts	145, 148, 150
School Attendance	142
School Districts, number of	142
School for the Deaf and the Blind	153
School levy	147
School Trustees, Boards of	145-147, 150, 151
School Trustees, discretionary powers of	150
Soldiers' Dependent Children	154
Teachers, classification of	148
Teachers' Salaries, basis of Provincial aid towards	147-149
Teachers' Pensions	154
Text-Book Branch	153
Education, Agricultural, Dominion aid to	155-157
Education, Technical, Dominion aid to	158-160
Employment, National Commission, classification of relief cases	123
Employment Offices—	
Administration of	127
Applications	128, 129
Casual employment	128, 129
Clearing houses	126
Conclusions regarding	128
Dominion aid	126, 127
Dominion operations, statistics of	128
Employment Offices Co-ordination Act	126, 130
Employment Service Council	129, 130
Expenditures of	126, 127
Placements of	128, 129
Provincial operations, statistics of	129
Vacancies	128, 129
Work done by	127, 130
Excise Duties	4, 5, 12, 13, 21, 23, 182, 185, 186; 187
Excise Taxes	182, 185, 186, 187
Expenditures—	
Municipal—	
Overhead	209, 210
Mandatory services	209, 210
Social services	220
Voluntary services	209, 210
Provincial	177, 237, 238, 239, 240, 241
Farm Relief Settlement Scheme	110
Fisheries	37, 52, 53
Forestry—	
Accessible reserves	37, 41, 42
Annual cut	43, 44, 46
Area, forested	36, 40
Conservation, cost of	37, 47
Exports	36
Forest classification	40
Forest protection	46
Forest revenues	43, 45, 46
Government expenditures	47
Importance to British Columbia	36, 37, 39
Mulholland, F. D.	41
Production	37, 39
Provincial forest inventory	37, 38

	PAGE.
Forestry— <i>Continued.</i>	
Provincial income, due to	43
Provincial wealth, due to	43
Reforestation	37
Sustained yield	40-43
Value of, in British Columbia	36
Vancouver Forest District	37
Variable character in British Columbia	38
Wastable asset	40-43
Freight Rates—	
Intercoastal Shipping—	
Commodity rates, Vancouver-Montreal	306, 307, 308
East and west-bound rates—similarity	308
Rail and water rate structures compared	307
Ocean—	
Ballast movement, effect of	290, 311
National trade and tariff policy, effect of	291, 311
Railway—	
National trade and tariff policy, and	302
Water and truck competition in Eastern Canada	302
Analysis of Rate Structure	293-296
Charging what traffic will bear, effect of	291, 299
Commodities of high value, rates on	289
Commodities of low value, rates on	289
Commodity rates, Vancouver-Toronto	293, 294, 295, 296
Consumers, effect of rates on	291, 299, 313
Exports, estimated freight charge on rail	299, 301
Grain, domestic and export rates on	313, 314, 315
Grain, rates per ton mile	314
Imports, estimated freight charge on rail	298, 299
Imports from Eastern Canada, effect of rates on	292
Intercoastal water competition, effect of	291
Rail and water rate structures, comparison of	307
Rates in British Columbia and Eastern Canada, comparison of	311, 312, 313
Shipments from British Columbia, effect of rates on	292
West moving traffic, higher commodity rates on	295, 296
Galt, Sir Alexander	4, 5
Gaols and Prison Farms—	
Indigence of transients in	132-140
Graving Dock, Esquimalt	4, 7-9
Health	141
Inspection of	150, 151
Trends	97
"Health Act"	206, 207
Health, Provincial Board of	88, 93, 94, 97
Authority of	88, 89
Duties of	88, 89
Work done by	88, 89
Highway, Trans-Canada	110
Home for the Aged—	
Indigence of transients in	134-140
Population of	99
Hospitals—	
Aid to	89, 90
Bed capacity	89
Collection methods	91
Deficit	89-91
Expenditures	89-90
Indigence of transients in	132-140

Hospitals— <i>Continued.</i>	PAGE.
Investments	89
Length of patients' stay	89, 91
Municipal aid to	91
Pay-rolls	89
Provincial aid to	91
Receipts	89, 90
"Hospital Act"	205
Immigration and Colonization, Department of	130
Income—	
Bases of Estimates for British Columbia	68, 69
Estimated on Basis of Earnings—	
Average wage of gainfully employed	75
"Effort" income	74-76
Gainfully occupied	75
Interest and dividends payable abroad	77
"Property" income	74-76
Unrecorded income	75, 77
Estimated on Basis of Net Value of Production—	
Bases of estimates	70
Gainfully occupied	71, 72
Interest and dividends payable abroad	73, 74, 80, 81
Unrecorded income	73, 74
Estimated on Basis of Retail Purchases—	
Expenditures excluded	78
Interest and dividends payable abroad	78
Retail sales, record of	77
Unrecorded income	78
National Income	68, 73
Real Income	70
Summary of Estimates	78
Adjusted estimate	79, 82
Final estimate	80
Industrial Schools—	
Indigence of transients in	132, 140
Population of	99
"Infants Act"	206
Intercoastal Shipping Rates. <i>See</i> "Freight Rates—Intercoastal."	
Intercoastal Water-borne Traffic (for Shipping Rates <i>see</i> "Freight Rates—Intercoastal")—	
Through Vancouver and New Westminster	289, 291, 303, 304, 305
Irrigation	32-34
Jackman, Professor W. T.—	
Charging what traffic will bear, principle of	292
Freight rates, influence on prices	291
Justice, Administration of	160-162
"Juvenile Courts Act"	206
Laurier, Sir Wilfrid	12
"Liquor Control Act"	205
McBride, Sir Richard—	
Adjustment of Terms of Union	10, 14, 16, 17
Manitoba, Province of	4, 15
Manufacturing—	
Value of Production	54
Maxwell, J. A.	20, 157
Mental Hospitals—	
Capital charges	91
Collections	91, 92

	PAGE.
Mental Hospitals— <i>Continued.</i>	
Dominion payments to	91
Expenditures	91
Indigence of transients in	134-140
Population of	91, 99
Mining—	
Exports	47
Exposed industry	47
Importance	47
Production	48, 49
Production, 1936	37
Reserves	48
Wasting asset	47
Monetary Policy—	
Of the Argentine	318, 319
Argentine price level, effect on	321
Of Australia	318, 319
Australian price level, effect on	321
Of Canada—	
British Columbia's external debt, effect on	327, 329, 331
Canada's external debt, effect on	327
Consumers' goods, effect on price of	322
Cost of living index and	324, 325, 326
Dominion Government's external debt, effect on	327, 328
Dumping duties, values set for	320
Eastern Canadian industries, protection from	320
Exchange dumping duties, revenue from	319
Manufactured goods, effect on price of	322, 323, 324, 325
Manufacturing industries, effect on	320
Municipal external debt of British Columbia, effect on	327, 330
Municipal external debt of Canada, effect on	327, 332
Price level, effect on	321
Primary producers, effect on	319
Primary producing areas, and	325
Producer's goods, effect on price of	322
Provincial external debt of Canada, effect on	327, 331, 332
Tariff and monetary policy	318, 319, 320
United Kingdom, monetary policy of, and	326
United States, monetary policy of, and	326
Wheat growers, Dominion bonus to	320
Mothers' Allowances—	
Case load	105
Establishment of	104
Maximum rate of	104
Municipal cases	105
"Mothers' Pensions Act"	104
Recommendation for	103
Statistics	105
"Mothers' Pensions Act"	104, 205, 206
Municipal Affairs, Provincial Department of—	
Duties	219
Establishment	219
Inspector of Municipalities	218
Municipal Government—	
Area not incorporated	203, 204
Classification of	219
Fixed taxation base and expanding services	233, 234
Growth influenced by demand for local services	200

Municipal Government— <i>Continued.</i>	PAGE.
Population density	198, 200
Public utilities	221, 222
Village municipalities, growth of	204
Incorporation of—	
Area, slow extension of	202, 203, 219
Early organization	16, 200, 202
Vancouver—Special Act, 1886	202, 232
Services Mandatory—	
Education	207
Health, administration of	206, 207
Cost of	209, 210
Provision for law and order—police powers	206
Provision for poor and destitute	205, 206, 207
Regulation by provincial boards	205
Statutes governing	205
Services Voluntary—	
Administration costs increased with population	208, 209
Cost of	209, 210
General powers	208
Powers by statutes	207-209, 268, 270
Present trends	208, 209
No great increase in authority	208
Social Services, Responsibility for	142
“Municipality Act,” 1878	214
“Municipality Act,” 1881	203, 212
“Municipal Act,” 1906	206, 211
“Municipal Act,” 1914	215, 218
“Municipal Clauses Act,” 1896	206, 210
“Municipal Clauses Act Amendment Act,” 1906	215
“Municipal Fines Ordinance,” 1870	213
“Municipalities Incorporation Act,” 1896	201, 210
“Municipality Local Improvements Act,” 1913	212
National Defence, Department of—	
Unemployment relief	109
National Trade and Tariff Policy (<i>see also</i> “Tariff”)—	
Balance of trade, and	322, 325
British Columbia under	273
Concentration of industry, and	289
Inter-Provincial trade, effect on	289
Monetary policy, related to	318, 319
Ocean freight rates, effect on	291, 311
Railway freight rates, and	302
Railway rate structure, related to	313
Regional protection, and	314, 316, 317
Normal Schools	151
Nova Scotia, Province of	6, 13, 16, 273
Ocean Freight Rates. <i>See</i> “Freight Rates—Ocean.”	
Ocean Freight Traffic—	
In British and Foreign vessels at Vancouver	308, 309, 311
Pacific Great Eastern Railroad Company Guarantee	190
Pensions, Mothers’. <i>See</i> “Mothers’ Allowances.”	
Pensions, Old Age—	
Dominion Grant in Aid	100, 103
Expenditure Statistics	100
Payments to and by British Columbia	103
Responsibility for Administration	100
Responsibility of the Dominion	103
Statistics	101

	PAGE.
Pensions, Teachers'	154
Physicians, Resident	91
Poor Relief, Public Dependency on	107
Population—	
Age Distribution	65-68
Chinese	59-61
Employment Distribution	65-68
Gainfully employed	66-68
Estimated, 1936	59
Farm	28
Gainfully Employed by Industries	66-68
Japanese	59, 61
Migration from Prairies	64, 65
Oriental	59-64
Population of Prairies, 1881, 1891, 1901	15
Wage-earners	68
Prairie Provinces—	
Wheat growers, Dominion bonus to	320
Preventive Medicine—	
Expenditures for	87
Mental Illness	91, 92
Tuberculosis	94
Venereal Diseases	96
Prior, Hon. E. G.	13
Provincial Home	94, 98, 99
Provincial Home for Aged	99
“Provincial Home for the Aged Act”	205
Provincial Home for Incurables. <i>See</i> “Provincial Infirmary.”	
“Provincial Home for Incurables Act”	94
Provincial Infirmary	94
Provincial Institutions—	
Indigence of Transients in	132-141
Population	99
Public Dependency	107
Public Dependency	107
“Public Institutions Indemnification (Municipalities) Act”	93, 205
“Public Schools Act”	205
Railway Freight Traffic—	
Exports, estimated net rail from British Columbia	300
Imports, estimated net rail from Eastern Canada	297
Originating in British Columbia	289, 290
Revenue freight movement, analysis of	297-299, 300, 301
Terminating in British Columbia	289, 290
Reformatories. <i>See</i> “Industrial Schools.”	
Revenue—	
Dominion—	
Customs duties	182, 185-187
Excise duties	182, 185-187
Excise taxes	182, 185-187
Income taxes	182, 185-187
Municipal—	
Fines	215
Levy on land and improvements	201, 221, 228-230
<i>Per capita</i>	219, 220
Provincial grants	213, 218
Public utilities	221, 222
Road, poll, and dog taxes	221
Trade licences	215, 221

Revenue— <i>Continued.</i>	PAGE.
Provincial—	
Gasoline tax	179, 181, 183
Income tax	179, 181, 183, 189
Motor-vehicle licences	179, 181, 183
Profit from liquor sales.....	179, 181, 183
Saskatchewan, Province of—	
Immigration of Transients from	133
School Finance, Commission on	148, 149
Recommendation of	154, 155
"Schools Health Inspection Act"	150
"Settlement Act, 1884"	9, 10, 18
"Sexual Sterilization Act"—	
Provisions of	92, 93
Single Homeless Persons, Special Commission on.....	109
Social Functions of Government.....	141, 142, 163, 165, 168
Administration of Justice	165
Charitable	106, 107, 164
Early policy	98
Expenditures	98, 169-173
Land Settlement	106, 107
"Soldiers' Land Act"	106, 107
Classification of	85
Definition of	85
Dominion-Provincial Responsibility for	141-142
Expenditures for	85-87, 98, 169-173
General and Protective	86, 163, 169-173
Medical-Health	87, 164, 169-173
Tax System, in Relation to	85
Unemployment Relief	164
Soldiers' Civil Re-establishment Board	130
Soldiers' Dependent Children—	
Education of	154
"Soldiers' Land Act"	106, 107
Superannuation	105, 106
"Superannuation Act"	105, 106
Tariff (<i>see also</i> "The National Trade and Tariff Policy")—	
Burden of	314
Exposed production, amount of by provinces	314, 316, 317
Protected production, amount of by provinces	314, 316, 317
Taxation—	
Confederation Settlement, and	18, 23
Dominion, Incidence of—	
Not uniform in all provinces	189
On individuals	187, 189
On industry	187, 189
Higher taxation due to inadequacy of Confederation Settlement.....	18
Invasion of field of direct taxation by Dominion	20
Municipal—	
Education rate	214-216
Exemptions, land and improvements	214, 223
Health rate	214, 216
Land and improvement levy	213-223, 225, 228-230
Licence fees	214
Poll tax—exemptions	216
Powers from Province	213
Powers of Village Municipalities	217, 218
Public library rate	216
Road tax	215, 217

Taxation—*Continued.*

Municipal— <i>Continued.</i>	PAGE.
School land levy	216
Special rates	215
Taxes other than on land and improvements	217
Wild land tax	214, 215
Municipal, arrears, reduction in	230
Municipal, Incidence of—	
Burden on land	223, 226
Education costs bear heavily on land	225
Exemptions	223
Heavier burden on land and improvements	225
Limits to assessing improvements	224
Other than municipal levy	226
Rate not indicative of burden	225
Rate base	223-225
Village levies	225
Provincial, Incidence of—	
On individuals	179, 181, 184, 189
On industry	179, 181, 183, 189
On land	179, 181, 189
<i>Per capita</i> basis	178
Wasting assets	181, 183, 184
Provincial, Unorganized Territory—	
Delinquent taxes	235, 236
Land	235
School	236
“Teachers’ Pensions Act”	154
“Technical Education Act”	158, 159
Trade, British Columbia—	
Balance of trade	275
British Empire, imports and exports	275
Character of	276
Economic activity in Province, and	284
Eastern Canada, trade with	273
Estimate of	273
Foreign countries, imports and exports	275
Imports, estimate from retail sales	274, 275
Other provinces, imports and exports	275, 276
Sources of information	273-275
Trade, Inter-Provincial (<i>see also</i> Trade of British Columbia)—	
Statistics, no Federal	15, 273
Trade, the Terms of—	
Between Eastern Canada and British Columbia	278
Economic activity, index of in British Columbia	284-288
Economic activity, index of in Eastern Canada	285-288
Exports, price index of from British Columbia	278, 281, 282, 284
Imports, price index of from Eastern Canada	278, 281, 282, 284
National policy, and	278, 289
Railway freight unloadings, index of	284, 285
Terms of trade, index of	278, 282, 284, 285
Unfavourable terms of trade, effect of	288
“Tranquille Sanatorium Act”	93
Transiency—	
Definition of, needed	130
Forms of	130, 131
Gaols and Prison Farms, effect on	132-140
Home for the Aged, effect on	134-140

Transiency— <i>Continued.</i>	PAGE.
Hospitals, effect on	132-140
Indigence of transients in public institutions	132-141
Industrial Schools, effect on	132-140
Injustice resulting from	131, 132
Mental hospitals, effect on	134-140
Neglected children	140
Occupation of transients in public institutions	134, 137, 140, 141
Protection against transients	131
Relief standards, variations in	131
Responsibility for transients	130-132
School for Deaf and Blind, effect on	132-140
Tuberculosis control, effect on	139, 140
Tuberculosis units, effect on	132-140
Trapping—	
Production in British Columbia	54
Tuberculosis—	
Bed capacity for treatment	94
Case finding	93
Deaths due to	93
Division of control	93
Prevention of	94
Travelling clinics	93
Tuberculosis Institutions—	
Indigence of transients treated	139, 140
Population of	99
“Tuberculosis Institution Act”	93, 205
Tupper, Sir Charles—	
Temporary character of Confederation arrangements	3
Unemployment—	
Employables	123, 124
Insurance against	123, 124
Marketing facilities	125
Sub-marginal workers	123, 124
Trends, consideration of	124
Unemployables	123, 124
Unemployment Insurance—	
Dominion responsibility	124, 125
Unemployment Relief—	
Administration of	119
Basis of assistance	122
Camps	109
Capital assets, resulting from	122
Department of National Defence, and	109
Direct Relief	109, 121, 122
Dominion Audit of expenditures	119
Dominion Director, annual report of	115
Employables	123
Expenditures	107-117, 119-123
Expenditures, decrease in	121
Farm relief settlement scheme	110, 122
Farm resident operators receiving	123
Financing of	121, 122
Forestry projects	111, 121, 122
Joint expenditures for	108-121
Methods of relief	121
Placer mining	111, 121, 122
Provincial debts on account of	121, 122
Public dependency on	107

Unemployment Relief— <i>Continued.</i>	PAGE.
Responsibility, question of	107, 119, 124, 125
Single homeless men	109, 111, 122
Trans-Canada highway	110
Transients	109, 125
Unemployables	123
Work projects	109, 111, 113, 121
Youth Training	112
"Unemployment Relief Act, 1930"	108
"Unemployment Relief Act, 1931"	108
"Unemployment Relief Act, 1932"	108
"Unemployment Relief Act, 1933"	108, 212
"Unemployment Relief Act, 1934"	110
"Unemployment Relief Act, 1936"	109
United States—	
Retail sales	77
Unorganized Territory—	
Large area	204
Taxes on land	234
Tax sales	234
Vancouver, City of	202, 232, 233
Vancouver Island, Colony of	4
"Vancouver Tax Consolidation Act"	232
"Vancouver Tax Sale Relief Act, 1936"	232
Venereal Diseases—	
Control of	94, 96, 97
Division of Control	94, 96
Education Campaign	97
Expenditures on Account of	96
Free Treatment	95
Travelling Clinics	97
Treatments for	96
Vancouver Clinic	94, 95, 97
"Venereal Diseases Suppression Act"	95
Victoria Clinic	94, 95, 97
"Venereal Diseases Suppression Act"	95
"Village Municipalities Act"	213, 217
"Village Municipalities Amendment Act, 1922"	217
"Village Municipalities Incorporation Act, 1920"	203, 204
Water Power—	
Developed, Amount in British Columbia	34
Development Commenced in British Columbia	34
Dominion Water Power Branch	35
Undeveloped Water Power	35, 36
Wealth—	
Depletion of	58
In British Columbia, by Industries	56, 57, 58
<i>Per Capita</i>	54, 56
Wasting Assets, Dependent on	56, 58
Workmen's Compensation—	
Classification of Industries	97
Common Law Right	97
"Workmen's Compensation Act"	97
"Workmen's Compensation Act"	97

349090

Canada. Dominion-Provincial Relations, Royal
Commission on, 1937
[British Columbia]. British Columbia in
the Canadian confederation. A submission.

Gov.Doc
Can
Com
D
(British
Columbia)

**University of Toronto
Library**

**DO NOT
REMOVE
THE
CARD
FROM
THIS
POCKET**

Acme Library Card Pocket
LOWE-MARTIN CO. LIMITED

